



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB3499

by Rep. Mike Smiddy

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the general rate of tax under the Acts shall be 7.25% (currently, 6.25%). Provides that the additional moneys received from the increase shall be deposited into the School Infrastructure Support Fund. Provides that moneys in the School Infrastructure Support Fund shall be used to make grants to school districts in the State for safety and security upgrades, energy efficient heating and cooling systems, building projects, and facility enhancements, and for the payment of obligations issued by the school district. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois and the State Finance Act to make conforming changes. Effective July 1, 2015.

LRB099 09091 HLH 29281 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of Illinois is  
6 amended by changing Section 605-332 as follows:

7 (20 ILCS 605/605-332)

8 Sec. 605-332. Financial assistance to energy generation  
9 facilities.

10 (a) As used in this Section:

11 "New electric generating facility" means a  
12 newly-constructed electric generation plant or a newly  
13 constructed generation capacity expansion at an existing  
14 facility, including the transmission lines and associated  
15 equipment that transfers electricity from points of supply to  
16 points of delivery, and for which foundation construction  
17 commenced not sooner than July 1, 2001, which is designed to  
18 provide baseload electric generation operating on a continuous  
19 basis throughout the year and:

20 (1) has an aggregate rated generating capacity of at  
21 least 400 megawatts for all new units at one site, uses  
22 coal or gases derived from coal as its primary fuel source,  
23 and supports the creation of at least 150 new Illinois coal

1 mining jobs; or

2 (2) is funded through a federal Department of Energy  
3 grant before December 31, 2010 and supports the creation of  
4 Illinois coal-mining jobs; or

5 (3) uses coal gasification or integrated  
6 gasification-combined cycle units that generate  
7 electricity or chemicals, or both, and supports the  
8 creation of Illinois coal-mining jobs.

9 "New gasification facility" means a newly constructed coal  
10 gasification facility that generates chemical feedstocks or  
11 transportation fuels derived from coal (which may include, but  
12 are not limited to, methane, methanol, and nitrogen  
13 fertilizer), that supports the creation or retention of  
14 Illinois coal-mining jobs, and that qualifies for financial  
15 assistance from the Department before December 31, 2010. A new  
16 gasification facility does not include a pilot project located  
17 within Jefferson County or within a county adjacent to  
18 Jefferson County for synthetic natural gas from coal.

19 "New facility" means a new electric generating facility or  
20 a new gasification facility. A new facility does not include a  
21 pilot project located within Jefferson County or within a  
22 county adjacent to Jefferson County for synthetic natural gas  
23 from coal.

24 "Eligible business" means an entity that proposes to  
25 construct a new facility and that has applied to the Department  
26 to receive financial assistance pursuant to this Section. With

1 respect to use and occupation taxes, wherever there is a  
2 reference to taxes, that reference means only those taxes paid  
3 on Illinois-mined coal used in a new facility.

4 "Department" means the Illinois Department of Commerce and  
5 Economic Opportunity.

6 (b) The Department is authorized to provide financial  
7 assistance to eligible businesses for new facilities from funds  
8 appropriated by the General Assembly as further provided in  
9 this Section.

10 An eligible business seeking qualification for financial  
11 assistance for a new facility, for purposes of this Section  
12 only, shall apply to the Department in the manner specified by  
13 the Department. Any projections provided by an eligible  
14 business as part of the application shall be independently  
15 verified in a manner as set forth by the Department. An  
16 application shall include, but not be limited to:

17 (1) the projected or actual completion date of the new  
18 facility for which financial assistance is sought;

19 (2) copies of documentation deemed acceptable by the  
20 Department establishing either (i) the total State  
21 occupation and use taxes paid on Illinois-mined coal used  
22 at the new facility for a minimum of 4 preceding calendar  
23 quarters or (ii) the projected amount of State occupation  
24 and use taxes paid on Illinois-mined coal used at the new  
25 facility in 4 calendar year quarters after completion of  
26 the new facility. Bond proceeds subject to this Section

1 shall not be allocated to an eligible business until the  
2 eligible business has demonstrated the revenue stream  
3 sufficient to service the debt on the bonds; and

4 (3) the actual or projected amount of capital  
5 investment by the eligible business in the new facility.

6 The Department shall determine the maximum amount of  
7 financial assistance for eligible businesses in accordance  
8 with this paragraph. The Department shall not provide financial  
9 assistance from general obligation bond funds to any eligible  
10 business unless it receives a written certification from the  
11 Director of the Bureau of the Budget (now Governor's Office of  
12 Management and Budget) that 80% of the State occupation and use  
13 tax receipts for a minimum of the preceding 4 calendar quarters  
14 for all eligible businesses or as included in projections on  
15 approved applications by eligible businesses equal or exceed  
16 110% of the maximum annual debt service required with respect  
17 to general obligation bonds issued for that purpose. The  
18 Department may provide financial assistance not to exceed the  
19 amount of State general obligation debt calculated as above,  
20 the amount of actual or projected capital investment in the  
21 facility, or \$100,000,000, whichever is less. Financial  
22 assistance received pursuant to this Section may be used for  
23 capital facilities consisting of buildings, structures,  
24 durable equipment, and land at the new facility. Subject to the  
25 provisions of the agreement covering the financial assistance,  
26 a portion of the financial assistance may be required to be

1 repaid to the State if certain conditions for the governmental  
2 purpose of the assistance were not met.

3 An eligible business shall file a monthly report with the  
4 Illinois Department of Revenue stating the amount of  
5 Illinois-mined coal purchased during the previous month for use  
6 in the new facility, the purchase price of that coal, the  
7 amount of State occupation and use taxes paid on that purchase  
8 to the seller of the Illinois-mined coal, and such other  
9 information as that Department may reasonably require. In sales  
10 of Illinois-mined coal between related parties, the purchase  
11 price of the coal must have been determined in an arm's-length  
12 transaction. The report shall be filed with the Illinois  
13 Department of Revenue on or before the 20th day of each month  
14 on a form provided by that Department. However, no report need  
15 be filed by an eligible business in a month when it made no  
16 reportable purchases of coal in the previous month. The  
17 Illinois Department of Revenue shall provide a summary of such  
18 reports to the Governor's Office of Management and Budget.

19 Upon granting financial assistance to an eligible  
20 business, the Department shall certify the name of the eligible  
21 business to the Illinois Department of Revenue. Beginning with  
22 the receipt of the first report of State occupation and use  
23 taxes paid by an eligible business and continuing for a 25-year  
24 period, the Illinois Department of Revenue shall each month pay  
25 into the Energy Infrastructure Fund 67% ~~80%~~ of the net revenue  
26 realized from the 7.25% ~~6.25%~~ general rate on the selling price

1 of Illinois-mined coal that was sold to an eligible business.  
2 (Source: P.A. 98-463, eff. 8-16-13.)

3 Section 15. The State Finance Act is amended by changing  
4 Sections 6z-18 and 6z-20 and by adding Section 5.866 as  
5 follows:

6 (30 ILCS 105/5.866 new)

7 Sec. 5.866. The School Infrastructure Support Fund.

8 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

9 Sec. 6z-18. A portion of the money paid into the Local  
10 Government Tax Fund from sales of food for human consumption  
11 which is to be consumed off the premises where it is sold  
12 (other than alcoholic beverages, soft drinks and food which has  
13 been prepared for immediate consumption) and prescription and  
14 nonprescription medicines, drugs, medical appliances and  
15 insulin, urine testing materials, syringes and needles used by  
16 diabetics, which occurred in municipalities, shall be  
17 distributed to each municipality based upon the sales which  
18 occurred in that municipality. The remainder shall be  
19 distributed to each county based upon the sales which occurred  
20 in the unincorporated area of that county.

21 A portion of the money paid into the Local Government Tax  
22 Fund from the 7.25% ~~6.25%~~ general use tax rate on the selling  
23 price of tangible personal property which is purchased outside

1 Illinois at retail from a retailer and which is titled or  
2 registered by any agency of this State's government shall be  
3 distributed to municipalities as provided in this paragraph.  
4 Each municipality shall receive the amount attributable to  
5 sales for which Illinois addresses for titling or registration  
6 purposes are given as being in such municipality. The remainder  
7 of the money paid into the Local Government Tax Fund from such  
8 sales shall be distributed to counties. Each county shall  
9 receive the amount attributable to sales for which Illinois  
10 addresses for titling or registration purposes are given as  
11 being located in the unincorporated area of such county.

12 A portion of the money paid into the Local Government Tax  
13 Fund from the 7.25% ~~6.25%~~ general rate (and, beginning July 1,  
14 2000 and through December 31, 2000, the 1.25% rate on motor  
15 fuel and gasohol, and beginning on August 6, 2010 through  
16 August 15, 2010, the 1.25% rate on sales tax holiday items) on  
17 sales subject to taxation under the Retailers' Occupation Tax  
18 Act and the Service Occupation Tax Act, which occurred in  
19 municipalities, shall be distributed to each municipality,  
20 based upon the sales which occurred in that municipality. The  
21 remainder shall be distributed to each county, based upon the  
22 sales which occurred in the unincorporated area of such county.

23 For the purpose of determining allocation to the local  
24 government unit, a retail sale by a producer of coal or other  
25 mineral mined in Illinois is a sale at retail at the place  
26 where the coal or other mineral mined in Illinois is extracted

1 from the earth. This paragraph does not apply to coal or other  
2 mineral when it is delivered or shipped by the seller to the  
3 purchaser at a point outside Illinois so that the sale is  
4 exempt under the United States Constitution as a sale in  
5 interstate or foreign commerce.

6 Whenever the Department determines that a refund of money  
7 paid into the Local Government Tax Fund should be made to a  
8 claimant instead of issuing a credit memorandum, the Department  
9 shall notify the State Comptroller, who shall cause the order  
10 to be drawn for the amount specified, and to the person named,  
11 in such notification from the Department. Such refund shall be  
12 paid by the State Treasurer out of the Local Government Tax  
13 Fund.

14 As soon as possible after the first day of each month,  
15 beginning January 1, 2011, upon certification of the Department  
16 of Revenue, the Comptroller shall order transferred, and the  
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
18 local sales tax increment, as defined in the Innovation  
19 Development and Economy Act, collected during the second  
20 preceding calendar month for sales within a STAR bond district  
21 and deposited into the Local Government Tax Fund, less 3% of  
22 that amount, which shall be transferred into the Tax Compliance  
23 and Administration Fund and shall be used by the Department,  
24 subject to appropriation, to cover the costs of the Department  
25 in administering the Innovation Development and Economy Act.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to named municipalities  
4 and counties, the municipalities and counties to be those  
5 entitled to distribution of taxes or penalties paid to the  
6 Department during the second preceding calendar month. The  
7 amount to be paid to each municipality or county shall be the  
8 amount (not including credit memoranda) collected during the  
9 second preceding calendar month by the Department and paid into  
10 the Local Government Tax Fund, plus an amount the Department  
11 determines is necessary to offset any amounts which were  
12 erroneously paid to a different taxing body, and not including  
13 an amount equal to the amount of refunds made during the second  
14 preceding calendar month by the Department, and not including  
15 any amount which the Department determines is necessary to  
16 offset any amounts which are payable to a different taxing body  
17 but were erroneously paid to the municipality or county, and  
18 not including any amounts that are transferred to the STAR  
19 Bonds Revenue Fund. Within 10 days after receipt, by the  
20 Comptroller, of the disbursement certification to the  
21 municipalities and counties, provided for in this Section to be  
22 given to the Comptroller by the Department, the Comptroller  
23 shall cause the orders to be drawn for the respective amounts  
24 in accordance with the directions contained in such  
25 certification.

26 When certifying the amount of monthly disbursement to a

1 municipality or county under this Section, the Department shall  
2 increase or decrease that amount by an amount necessary to  
3 offset any misallocation of previous disbursements. The offset  
4 amount shall be the amount erroneously disbursed within the 6  
5 months preceding the time a misallocation is discovered.

6 The provisions directing the distributions from the  
7 special fund in the State Treasury provided for in this Section  
8 shall constitute an irrevocable and continuing appropriation  
9 of all amounts as provided herein. The State Treasurer and  
10 State Comptroller are hereby authorized to make distributions  
11 as provided in this Section.

12 In construing any development, redevelopment, annexation,  
13 preannexation or other lawful agreement in effect prior to  
14 September 1, 1990, which describes or refers to receipts from a  
15 county or municipal retailers' occupation tax, use tax or  
16 service occupation tax which now cannot be imposed, such  
17 description or reference shall be deemed to include the  
18 replacement revenue for such abolished taxes, distributed from  
19 the Local Government Tax Fund.

20 As soon as possible after the effective date of this  
21 amendatory Act of the 98th General Assembly, the State  
22 Comptroller shall order and the State Treasurer shall transfer  
23 \$6,600,000 from the Local Government Tax Fund to the Illinois  
24 State Medical Disciplinary Fund.

25 (Source: P.A. 97-333, eff. 8-12-11; 98-3, eff. 3-8-13.)

1 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

2 Sec. 6z-20. Of the money received from the 7.25% ~~6.25%~~  
3 general rate (and, beginning July 1, 2000 and through December  
4 31, 2000, the 1.25% rate on motor fuel and gasohol, and  
5 beginning on August 6, 2010 through August 15, 2010, the 1.25%  
6 rate on sales tax holiday items) on sales subject to taxation  
7 under the Retailers' Occupation Tax Act and Service Occupation  
8 Tax Act and paid into the County and Mass Transit District  
9 Fund, distribution to the Regional Transportation Authority  
10 tax fund, created pursuant to Section 4.03 of the Regional  
11 Transportation Authority Act, for deposit therein shall be made  
12 based upon the retail sales occurring in a county having more  
13 than 3,000,000 inhabitants. The remainder shall be distributed  
14 to each county having 3,000,000 or fewer inhabitants based upon  
15 the retail sales occurring in each such county.

16 For the purpose of determining allocation to the local  
17 government unit, a retail sale by a producer of coal or other  
18 mineral mined in Illinois is a sale at retail at the place  
19 where the coal or other mineral mined in Illinois is extracted  
20 from the earth. This paragraph does not apply to coal or other  
21 mineral when it is delivered or shipped by the seller to the  
22 purchaser at a point outside Illinois so that the sale is  
23 exempt under the United States Constitution as a sale in  
24 interstate or foreign commerce.

25 Of the money received from the 7.25% ~~6.25%~~ general use tax  
26 rate on tangible personal property which is purchased outside

1 Illinois at retail from a retailer and which is titled or  
2 registered by any agency of this State's government and paid  
3 into the County and Mass Transit District Fund, the amount for  
4 which Illinois addresses for titling or registration purposes  
5 are given as being in each county having more than 3,000,000  
6 inhabitants shall be distributed into the Regional  
7 Transportation Authority tax fund, created pursuant to Section  
8 4.03 of the Regional Transportation Authority Act. The  
9 remainder of the money paid from such sales shall be  
10 distributed to each county based on sales for which Illinois  
11 addresses for titling or registration purposes are given as  
12 being located in the county. Any money paid into the Regional  
13 Transportation Authority Occupation and Use Tax Replacement  
14 Fund from the County and Mass Transit District Fund prior to  
15 January 14, 1991, which has not been paid to the Authority  
16 prior to that date, shall be transferred to the Regional  
17 Transportation Authority tax fund.

18 Whenever the Department determines that a refund of money  
19 paid into the County and Mass Transit District Fund should be  
20 made to a claimant instead of issuing a credit memorandum, the  
21 Department shall notify the State Comptroller, who shall cause  
22 the order to be drawn for the amount specified, and to the  
23 person named, in such notification from the Department. Such  
24 refund shall be paid by the State Treasurer out of the County  
25 and Mass Transit District Fund.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the Department  
2 of Revenue, the Comptroller shall order transferred, and the  
3 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
4 local sales tax increment, as defined in the Innovation  
5 Development and Economy Act, collected during the second  
6 preceding calendar month for sales within a STAR bond district  
7 and deposited into the County and Mass Transit District Fund,  
8 less 3% of that amount, which shall be transferred into the Tax  
9 Compliance and Administration Fund and shall be used by the  
10 Department, subject to appropriation, to cover the costs of the  
11 Department in administering the Innovation Development and  
12 Economy Act.

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money to the Regional  
17 Transportation Authority and to named counties, the counties to  
18 be those entitled to distribution, as hereinabove provided, of  
19 taxes or penalties paid to the Department during the second  
20 preceding calendar month. The amount to be paid to the Regional  
21 Transportation Authority and each county having 3,000,000 or  
22 fewer inhabitants shall be the amount (not including credit  
23 memoranda) collected during the second preceding calendar  
24 month by the Department and paid into the County and Mass  
25 Transit District Fund, plus an amount the Department determines  
26 is necessary to offset any amounts which were erroneously paid

1 to a different taxing body, and not including an amount equal  
2 to the amount of refunds made during the second preceding  
3 calendar month by the Department, and not including any amount  
4 which the Department determines is necessary to offset any  
5 amounts which were payable to a different taxing body but were  
6 erroneously paid to the Regional Transportation Authority or  
7 county, and not including any amounts that are transferred to  
8 the STAR Bonds Revenue Fund. Within 10 days after receipt, by  
9 the Comptroller, of the disbursement certification to the  
10 Regional Transportation Authority and counties, provided for  
11 in this Section to be given to the Comptroller by the  
12 Department, the Comptroller shall cause the orders to be drawn  
13 for the respective amounts in accordance with the directions  
14 contained in such certification.

15 When certifying the amount of a monthly disbursement to the  
16 Regional Transportation Authority or to a county under this  
17 Section, the Department shall increase or decrease that amount  
18 by an amount necessary to offset any misallocation of previous  
19 disbursements. The offset amount shall be the amount  
20 erroneously disbursed within the 6 months preceding the time a  
21 misallocation is discovered.

22 The provisions directing the distributions from the  
23 special fund in the State Treasury provided for in this Section  
24 and from the Regional Transportation Authority tax fund created  
25 by Section 4.03 of the Regional Transportation Authority Act  
26 shall constitute an irrevocable and continuing appropriation

1 of all amounts as provided herein. The State Treasurer and  
2 State Comptroller are hereby authorized to make distributions  
3 as provided in this Section.

4 In construing any development, redevelopment, annexation,  
5 preannexation or other lawful agreement in effect prior to  
6 September 1, 1990, which describes or refers to receipts from a  
7 county or municipal retailers' occupation tax, use tax or  
8 service occupation tax which now cannot be imposed, such  
9 description or reference shall be deemed to include the  
10 replacement revenue for such abolished taxes, distributed from  
11 the County and Mass Transit District Fund or Local Government  
12 Distributive Fund, as the case may be.

13 (Source: P.A. 96-939, eff. 6-24-10; 96-1012, eff. 7-7-10;  
14 97-333, eff. 8-12-11.)

15 Section 20. The Use Tax Act is amended by changing Sections  
16 3-6, 3-10, 3-55, 3-85, and 9 as follows:

17 (35 ILCS 105/3-6)

18 Sec. 3-6. Sales tax holiday items.

19 (a) The tangible personal property described in this  
20 subsection qualifies for the 1.25% reduced rate of tax for the  
21 period set forth in Section 3-10 of this Act (hereinafter  
22 referred to as the Sales Tax Holiday Period). The reduced rate  
23 on these items shall be administered under the provisions of  
24 subsection (b) of this Section. The following items are subject

1 to the reduced rate:

2 (1) Clothing items that each have a retail selling  
3 price of less than \$100.

4 "Clothing" means, unless otherwise specified in this  
5 Section, all human wearing apparel suitable for general  
6 use. "Clothing" does not include clothing accessories,  
7 protective equipment, or sport or recreational equipment.  
8 "Clothing" includes, but is not limited to: household and  
9 shop aprons; athletic supporters; bathing suits and caps;  
10 belts and suspenders; boots; coats and jackets; ear muffs;  
11 footlets; gloves and mittens for general use; hats and  
12 caps; hosiery; insoles for shoes; lab coats; neckties;  
13 overshoes; pantyhose; rainwear; rubber pants; sandals;  
14 scarves; shoes and shoelaces; slippers; sneakers; socks  
15 and stockings; steel-toed shoes; underwear; and school  
16 uniforms.

17 "Clothing accessories" means, but is not limited to:  
18 briefcases; cosmetics; hair notions, including, but not  
19 limited to barrettes, hair bows, and hair nets; handbags;  
20 handkerchiefs; jewelry; non-prescription sunglasses;  
21 umbrellas; wallets; watches; and wigs and hair pieces.

22 "Protective equipment" means, but is not limited to:  
23 breathing masks; clean room apparel and equipment; ear and  
24 hearing protectors; face shields; hard hats; helmets;  
25 paint or dust respirators; protective gloves; safety  
26 glasses and goggles; safety belts; tool belts; and welder's

1 gloves and masks.

2 "Sport or recreational equipment" means, but is not  
3 limited to: ballet and tap shoes; cleated or spiked  
4 athletic shoes; gloves, including, but not limited to,  
5 baseball, bowling, boxing, hockey, and golf gloves;  
6 goggles; hand and elbow guards; life preservers and vests;  
7 mouth guards; roller and ice skates; shin guards; shoulder  
8 pads; ski boots; waders; and wetsuits and fins.

9 (2) School supplies. "School supplies" means, unless  
10 otherwise specified in this Section, items used by a  
11 student in a course of study. The purchase of school  
12 supplies for use by persons other than students for use in  
13 a course of study are not eligible for the reduced rate of  
14 tax. "School supplies" do not include school art supplies;  
15 school instructional materials; cameras; film and memory  
16 cards; videocameras, tapes, and videotapes; computers;  
17 cell phones; Personal Digital Assistants (PDAs); handheld  
18 electronic schedulers; and school computer supplies.

19 "School supplies" includes, but is not limited to:  
20 binders; book bags; calculators; cellophane tape;  
21 blackboard chalk; compasses; composition books; crayons;  
22 erasers; expandable, pocket, plastic, and manila folders;  
23 glue, paste, and paste sticks; highlighters; index cards;  
24 index card boxes; legal pads; lunch boxes; markers;  
25 notebooks; paper, including loose leaf ruled notebook  
26 paper, copy paper, graph paper, tracing paper, manila

1 paper, colored paper, poster board, and construction  
2 paper; pencils; pencil leads; pens; ink and ink refills for  
3 pens; pencil boxes and other school supply boxes; pencil  
4 sharpeners; protractors; rulers; scissors; and writing  
5 tablets.

6 "School art supply" means an item commonly used by a  
7 student in a course of study for artwork and includes only  
8 the following items: clay and glazes; acrylic, tempera, and  
9 oil paint; paintbrushes for artwork; sketch and drawing  
10 pads; and watercolors.

11 "School instructional material" means written material  
12 commonly used by a student in a course of study as a  
13 reference and to learn the subject being taught and  
14 includes only the following items: reference books;  
15 reference maps and globes; textbooks; and workbooks.

16 "School computer supply" means an item commonly used by  
17 a student in a course of study in which a computer is used  
18 and applies only to the following items: flashdrives and  
19 other computer data storage devices; data storage media,  
20 such as diskettes and compact disks; boxes and cases for  
21 disk storage; external ports or drives; computer cases;  
22 computer cables; computer printers; and printer  
23 cartridges, toner, and ink.

24 (b) Administration. Notwithstanding any other provision of  
25 this Act, the reduced rate of tax under Section 3-10 of this  
26 Act for clothing and school supplies shall be administered by

1 the Department under the provisions of this subsection (b).

2 (1) Bundled sales. Items that qualify for the reduced  
3 rate of tax that are bundled together with items that do  
4 not qualify for the reduced rate of tax and that are sold  
5 for one itemized price will be subject to the reduced rate  
6 of tax only if the value of the items that qualify for the  
7 reduced rate of tax exceeds the value of the items that do  
8 not qualify for the reduced rate of tax.

9 (2) Coupons and discounts. An unreimbursed discount by  
10 the seller reduces the sales price of the property so that  
11 the discounted sales price determines whether the sales  
12 price is within a sales tax holiday price threshold. A  
13 coupon or other reduction in the sales price is treated as  
14 a discount if the seller is not reimbursed for the coupon  
15 or reduction amount by a third party.

16 (3) Splitting of items normally sold together.  
17 Articles that are normally sold as a single unit must  
18 continue to be sold in that manner. Such articles cannot be  
19 priced separately and sold as individual items in order to  
20 obtain the reduced rate of tax. For example, a pair of  
21 shoes cannot have each shoe sold separately so that the  
22 sales price of each shoe is within a sales tax holiday  
23 price threshold.

24 (4) Rain checks. A rain check is a procedure that  
25 allows a customer to purchase an item at a certain price at  
26 a later time because the particular item was out of stock.

1 Eligible property that customers purchase during the Sales  
2 Tax Holiday Period with the use of a rain check will  
3 qualify for the reduced rate of tax regardless of when the  
4 rain check was issued. Issuance of a rain check during the  
5 Sales Tax Holiday Period will not qualify eligible property  
6 for the reduced rate of tax if the property is actually  
7 purchased after the Sales Tax Holiday Period.

8 (5) Exchanges. The procedure for an exchange in regards  
9 to a sales tax holiday is as follows:

10 (A) If a customer purchases an item of eligible  
11 property during the Sales Tax Holiday Period, but later  
12 exchanges the item for a similar eligible item, even if  
13 a different size, different color, or other feature, no  
14 additional tax is due even if the exchange is made  
15 after the Sales Tax Holiday Period.

16 (B) If a customer purchases an item of eligible  
17 property during the Sales Tax Holiday Period, but after  
18 the Sales Tax Holiday Period has ended, the customer  
19 returns the item and receives credit on the purchase of  
20 a different item, the ~~6.25%~~ general merchandise sales  
21 tax rate is due on the sale of the newly purchased  
22 item.

23 (C) If a customer purchases an item of eligible  
24 property before the Sales Tax Holiday Period, but  
25 during the Sales Tax Holiday Period the customer  
26 returns the item and receives credit on the purchase of

1 a different item of eligible property, the reduced rate  
2 of tax is due on the sale of the new item if the new  
3 item is purchased during the Sales Tax Holiday Period.

4 (6) Delivery charges. Delivery charges, including  
5 shipping, handling and service charges, are part of the  
6 sales price of eligible property.

7 (7) Order date and back orders. For the purpose of a  
8 sales tax holiday, eligible property qualifies for the  
9 reduced rate of tax if: (i) the item is both delivered to  
10 and paid for by the customer during the Sales Tax Holiday  
11 Period or (ii) the customer orders and pays for the item  
12 and the seller accepts the order during the Sales Tax  
13 Holiday Period for immediate shipment, even if delivery is  
14 made after the Sales Tax Holiday Period. The seller accepts  
15 an order when the seller has taken action to fill the order  
16 for immediate shipment. Actions to fill an order include  
17 placement of an "in date" stamp on an order or assignment  
18 of an "order number" to an order within the Sales Tax  
19 Holiday Period. An order is for immediate shipment when the  
20 customer does not request delayed shipment. An order is for  
21 immediate shipment notwithstanding that the shipment may  
22 be delayed because of a backlog of orders or because stock  
23 is currently unavailable to, or on back order by, the  
24 seller.

25 (8) Returns. For a 60-day period immediately after the  
26 Sales Tax Holiday Period, if a customer returns an item

1 that would qualify for the reduced rate of tax, credit for  
2 or refund of sales tax shall be given only at the reduced  
3 rate unless the customer provides a receipt or invoice that  
4 shows tax was paid at the ~~6.25%~~ general merchandise rate,  
5 or the seller has sufficient documentation to show that tax  
6 was paid at the ~~6.25%~~ general merchandise rate on the  
7 specific item. This 60-day period is set solely for the  
8 purpose of designating a time period during which the  
9 customer must provide documentation that shows that the  
10 appropriate sales tax rate was paid on returned  
11 merchandise. The 60-day period is not intended to change a  
12 seller's policy on the time period during which the seller  
13 will accept returns.

14 (c) The Department may implement the provisions of this  
15 Section through the use of emergency rules, along with  
16 permanent rules filed concurrently with such emergency rules,  
17 in accordance with the provisions of Section 5-45 of the  
18 Illinois Administrative Procedure Act. For purposes of the  
19 Illinois Administrative Procedure Act, the adoption of rules to  
20 implement the provisions of this Section shall be deemed an  
21 emergency and necessary for the public interest, safety, and  
22 welfare.

23 (Source: P.A. 96-1012, eff. 7-7-10.)

24 (35 ILCS 105/3-10)

25 Sec. 3-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 7.25%  
2 ~~6.25%~~ of either the selling price or the fair market value, if  
3 any, of the tangible personal property. In all cases where  
4 property functionally used or consumed is the same as the  
5 property that was purchased at retail, then the tax is imposed  
6 on the selling price of the property. In all cases where  
7 property functionally used or consumed is a by-product or waste  
8 product that has been refined, manufactured, or produced from  
9 property purchased at retail, then the tax is imposed on the  
10 lower of the fair market value, if any, of the specific  
11 property so used in this State or on the selling price of the  
12 property purchased at retail. For purposes of this Section  
13 "fair market value" means the price at which property would  
14 change hands between a willing buyer and a willing seller,  
15 neither being under any compulsion to buy or sell and both  
16 having reasonable knowledge of the relevant facts. The fair  
17 market value shall be established by Illinois sales by the  
18 taxpayer of the same property as that functionally used or  
19 consumed, or if there are no such sales by the taxpayer, then  
20 comparable sales or purchases of property of like kind and  
21 character in Illinois.

22 Beginning on July 1, 2000 and through December 31, 2000,  
23 with respect to motor fuel, as defined in Section 1.1 of the  
24 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
25 the Use Tax Act, the tax is imposed at the rate of 1.25%.

26 Beginning on August 6, 2010 through August 15, 2010, with

1 respect to sales tax holiday items as defined in Section 3-6 of  
2 this Act, the tax is imposed at the rate of 1.25%.

3 With respect to gasohol, the tax imposed by this Act  
4 applies to (i) 70% of the proceeds of sales made on or after  
5 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
6 proceeds of sales made on or after July 1, 2003 and on or  
7 before December 31, 2018, and (iii) 100% of the proceeds of  
8 sales made thereafter. If, at any time, however, the tax under  
9 this Act on sales of gasohol is imposed at the rate of 1.25%,  
10 then the tax imposed by this Act applies to 100% of the  
11 proceeds of sales of gasohol made during that time.

12 With respect to majority blended ethanol fuel, the tax  
13 imposed by this Act does not apply to the proceeds of sales  
14 made on or after July 1, 2003 and on or before December 31,  
15 2018 but applies to 100% of the proceeds of sales made  
16 thereafter.

17 With respect to biodiesel blends with no less than 1% and  
18 no more than 10% biodiesel, the tax imposed by this Act applies  
19 to (i) 80% of the proceeds of sales made on or after July 1,  
20 2003 and on or before December 31, 2018 and (ii) 100% of the  
21 proceeds of sales made thereafter. If, at any time, however,  
22 the tax under this Act on sales of biodiesel blends with no  
23 less than 1% and no more than 10% biodiesel is imposed at the  
24 rate of 1.25%, then the tax imposed by this Act applies to 100%  
25 of the proceeds of sales of biodiesel blends with no less than  
26 1% and no more than 10% biodiesel made during that time.

1           With respect to 100% biodiesel and biodiesel blends with  
2 more than 10% but no more than 99% biodiesel, the tax imposed  
3 by this Act does not apply to the proceeds of sales made on or  
4 after July 1, 2003 and on or before December 31, 2018 but  
5 applies to 100% of the proceeds of sales made thereafter.

6           With respect to food for human consumption that is to be  
7 consumed off the premises where it is sold (other than  
8 alcoholic beverages, soft drinks, and food that has been  
9 prepared for immediate consumption) and prescription and  
10 nonprescription medicines, drugs, medical appliances,  
11 modifications to a motor vehicle for the purpose of rendering  
12 it usable by a disabled person, and insulin, urine testing  
13 materials, syringes, and needles used by diabetics, for human  
14 use, the tax is imposed at the rate of 1%. For the purposes of  
15 this Section, until September 1, 2009: the term "soft drinks"  
16 means any complete, finished, ready-to-use, non-alcoholic  
17 drink, whether carbonated or not, including but not limited to  
18 soda water, cola, fruit juice, vegetable juice, carbonated  
19 water, and all other preparations commonly known as soft drinks  
20 of whatever kind or description that are contained in any  
21 closed or sealed bottle, can, carton, or container, regardless  
22 of size; but "soft drinks" does not include coffee, tea,  
23 non-carbonated water, infant formula, milk or milk products as  
24 defined in the Grade A Pasteurized Milk and Milk Products Act,  
25 or drinks containing 50% or more natural fruit or vegetable  
26 juice.

1           Notwithstanding any other provisions of this Act,  
2 beginning September 1, 2009, "soft drinks" means non-alcoholic  
3 beverages that contain natural or artificial sweeteners. "Soft  
4 drinks" do not include beverages that contain milk or milk  
5 products, soy, rice or similar milk substitutes, or greater  
6 than 50% of vegetable or fruit juice by volume.

7           Until August 1, 2009, and notwithstanding any other  
8 provisions of this Act, "food for human consumption that is to  
9 be consumed off the premises where it is sold" includes all  
10 food sold through a vending machine, except soft drinks and  
11 food products that are dispensed hot from a vending machine,  
12 regardless of the location of the vending machine. Beginning  
13 August 1, 2009, and notwithstanding any other provisions of  
14 this Act, "food for human consumption that is to be consumed  
15 off the premises where it is sold" includes all food sold  
16 through a vending machine, except soft drinks, candy, and food  
17 products that are dispensed hot from a vending machine,  
18 regardless of the location of the vending machine.

19           Notwithstanding any other provisions of this Act,  
20 beginning September 1, 2009, "food for human consumption that  
21 is to be consumed off the premises where it is sold" does not  
22 include candy. For purposes of this Section, "candy" means a  
23 preparation of sugar, honey, or other natural or artificial  
24 sweeteners in combination with chocolate, fruits, nuts or other  
25 ingredients or flavorings in the form of bars, drops, or  
26 pieces. "Candy" does not include any preparation that contains

1 flour or requires refrigeration.

2 Notwithstanding any other provisions of this Act,  
3 beginning September 1, 2009, "nonprescription medicines and  
4 drugs" does not include grooming and hygiene products. For  
5 purposes of this Section, "grooming and hygiene products"  
6 includes, but is not limited to, soaps and cleaning solutions,  
7 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
8 lotions and screens, unless those products are available by  
9 prescription only, regardless of whether the products meet the  
10 definition of "over-the-counter-drugs". For the purposes of  
11 this paragraph, "over-the-counter-drug" means a drug for human  
12 use that contains a label that identifies the product as a drug  
13 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
14 label includes:

15 (A) A "Drug Facts" panel; or

16 (B) A statement of the "active ingredient(s)" with a  
17 list of those ingredients contained in the compound,  
18 substance or preparation.

19 Beginning on the effective date of this amendatory Act of  
20 the 98th General Assembly, "prescription and nonprescription  
21 medicines and drugs" includes medical cannabis purchased from a  
22 registered dispensing organization under the Compassionate Use  
23 of Medical Cannabis Pilot Program Act.

24 If the property that is purchased at retail from a retailer  
25 is acquired outside Illinois and used outside Illinois before  
26 being brought to Illinois for use here and is taxable under

1 this Act, the "selling price" on which the tax is computed  
2 shall be reduced by an amount that represents a reasonable  
3 allowance for depreciation for the period of prior out-of-state  
4 use.

5 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) The use, in this State, of tangible personal property  
17 by an interstate carrier for hire as rolling stock moving in  
18 interstate commerce or by lessors under a lease of one year or  
19 longer executed or in effect at the time of purchase of  
20 tangible personal property by interstate carriers for-hire for  
21 use as rolling stock moving in interstate commerce as long as  
22 so used by the interstate carriers for-hire, and equipment  
23 operated by a telecommunications provider, licensed as a common  
24 carrier by the Federal Communications Commission, which is  
25 permanently installed in or affixed to aircraft moving in

1 interstate commerce.

2 (c) The use, in this State, by owners, lessors, or shippers  
3 of tangible personal property that is utilized by interstate  
4 carriers for hire for use as rolling stock moving in interstate  
5 commerce as long as so used by the interstate carriers for  
6 hire, and equipment operated by a telecommunications provider,  
7 licensed as a common carrier by the Federal Communications  
8 Commission, which is permanently installed in or affixed to  
9 aircraft moving in interstate commerce.

10 (d) The use, in this State, of tangible personal property  
11 that is acquired outside this State and caused to be brought  
12 into this State by a person who has already paid a tax in  
13 another State in respect to the sale, purchase, or use of that  
14 property, to the extent of the amount of the tax properly due  
15 and paid in the other State.

16 (e) The temporary storage, in this State, of tangible  
17 personal property that is acquired outside this State and that,  
18 after being brought into this State and stored here  
19 temporarily, is used solely outside this State or is physically  
20 attached to or incorporated into other tangible personal  
21 property that is used solely outside this State, or is altered  
22 by converting, fabricating, manufacturing, printing,  
23 processing, or shaping, and, as altered, is used solely outside  
24 this State.

25 (f) The temporary storage in this State of building  
26 materials and fixtures that are acquired either in this State

1 or outside this State by an Illinois registered combination  
2 retailer and construction contractor, and that the purchaser  
3 thereafter uses outside this State by incorporating that  
4 property into real estate located outside this State.

5 (g) The use or purchase of tangible personal property by a  
6 common carrier by rail or motor that receives the physical  
7 possession of the property in Illinois, and that transports the  
8 property, or shares with another common carrier in the  
9 transportation of the property, out of Illinois on a standard  
10 uniform bill of lading showing the seller of the property as  
11 the shipper or consignor of the property to a destination  
12 outside Illinois, for use outside Illinois.

13 (h) Except as provided in subsection (h-1), the use, in  
14 this State, of a motor vehicle that was sold in this State to a  
15 nonresident, even though the motor vehicle is delivered to the  
16 nonresident in this State, if the motor vehicle is not to be  
17 titled in this State, and if a drive-away permit is issued to  
18 the motor vehicle as provided in Section 3-603 of the Illinois  
19 Vehicle Code or if the nonresident purchaser has vehicle  
20 registration plates to transfer to the motor vehicle upon  
21 returning to his or her home state. The issuance of the  
22 drive-away permit or having the out-of-state registration  
23 plates to be transferred shall be prima facie evidence that the  
24 motor vehicle will not be titled in this State.

25 (h-1) The exemption under subsection (h) does not apply if  
26 the state in which the motor vehicle will be titled does not

1 allow a reciprocal exemption for the use in that state of a  
2 motor vehicle sold and delivered in that state to an Illinois  
3 resident but titled in Illinois. The tax collected under this  
4 Act on the sale of a motor vehicle in this State to a resident  
5 of another state that does not allow a reciprocal exemption  
6 shall be imposed at a rate equal to the state's rate of tax on  
7 taxable property in the state in which the purchaser is a  
8 resident, except that the tax shall not exceed the tax that  
9 would otherwise be imposed under this Act. At the time of the  
10 sale, the purchaser shall execute a statement, signed under  
11 penalty of perjury, of his or her intent to title the vehicle  
12 in the state in which the purchaser is a resident within 30  
13 days after the sale and of the fact of the payment to the State  
14 of Illinois of tax in an amount equivalent to the state's rate  
15 of tax on taxable property in his or her state of residence and  
16 shall submit the statement to the appropriate tax collection  
17 agency in his or her state of residence. In addition, the  
18 retailer must retain a signed copy of the statement in his or  
19 her records. Nothing in this subsection shall be construed to  
20 require the removal of the vehicle from this state following  
21 the filing of an intent to title the vehicle in the purchaser's  
22 state of residence if the purchaser titles the vehicle in his  
23 or her state of residence within 30 days after the date of  
24 sale. The tax collected under this Act in accordance with this  
25 subsection (h-1) shall be proportionately distributed as if the  
26 tax were collected at the 7.25% ~~6.25%~~ general rate imposed

1 under this Act.

2 (h-2) The following exemptions apply with respect to  
3 certain aircraft:

4 (1) Beginning on July 1, 2007, no tax is imposed under  
5 this Act on the purchase of an aircraft, as defined in  
6 Section 3 of the Illinois Aeronautics Act, if all of the  
7 following conditions are met:

8 (A) the aircraft leaves this State within 15 days  
9 after the later of either the issuance of the final  
10 billing for the purchase of the aircraft or the  
11 authorized approval for return to service, completion  
12 of the maintenance record entry, and completion of the  
13 test flight and ground test for inspection, as required  
14 by 14 C.F.R. 91.407;

15 (B) the aircraft is not based or registered in this  
16 State after the purchase of the aircraft; and

17 (C) the purchaser provides the Department with a  
18 signed and dated certification, on a form prescribed by  
19 the Department, certifying that the requirements of  
20 this item (1) are met. The certificate must also  
21 include the name and address of the purchaser, the  
22 address of the location where the aircraft is to be  
23 titled or registered, the address of the primary  
24 physical location of the aircraft, and other  
25 information that the Department may reasonably  
26 require.

1           (2) Beginning on July 1, 2007, no tax is imposed under  
2 this Act on the use of an aircraft, as defined in Section 3  
3 of the Illinois Aeronautics Act, that is temporarily  
4 located in this State for the purpose of a prepurchase  
5 evaluation if all of the following conditions are met:

6           (A) the aircraft is not based or registered in this  
7 State after the prepurchase evaluation; and

8           (B) the purchaser provides the Department with a  
9 signed and dated certification, on a form prescribed by  
10 the Department, certifying that the requirements of  
11 this item (2) are met. The certificate must also  
12 include the name and address of the purchaser, the  
13 address of the location where the aircraft is to be  
14 titled or registered, the address of the primary  
15 physical location of the aircraft, and other  
16 information that the Department may reasonably  
17 require.

18           (3) Beginning on July 1, 2007, no tax is imposed under  
19 this Act on the use of an aircraft, as defined in Section 3  
20 of the Illinois Aeronautics Act, that is temporarily  
21 located in this State for the purpose of a post-sale  
22 customization if all of the following conditions are met:

23           (A) the aircraft leaves this State within 15 days  
24 after the authorized approval for return to service,  
25 completion of the maintenance record entry, and  
26 completion of the test flight and ground test for

1 inspection, as required by 14 C.F.R. 91.407;

2 (B) the aircraft is not based or registered in this  
3 State either before or after the post-sale  
4 customization; and

5 (C) the purchaser provides the Department with a  
6 signed and dated certification, on a form prescribed by  
7 the Department, certifying that the requirements of  
8 this item (3) are met. The certificate must also  
9 include the name and address of the purchaser, the  
10 address of the location where the aircraft is to be  
11 titled or registered, the address of the primary  
12 physical location of the aircraft, and other  
13 information that the Department may reasonably  
14 require.

15 If tax becomes due under this subsection (h-2) because of  
16 the purchaser's use of the aircraft in this State, the  
17 purchaser shall file a return with the Department and pay the  
18 tax on the fair market value of the aircraft. This return and  
19 payment of the tax must be made no later than 30 days after the  
20 aircraft is used in a taxable manner in this State. The tax is  
21 based on the fair market value of the aircraft on the date that  
22 it is first used in a taxable manner in this State.

23 For purposes of this subsection (h-2):

24 "Based in this State" means hangared, stored, or otherwise  
25 used, excluding post-sale customizations as defined in this  
26 Section, for 10 or more days in each 12-month period

1 immediately following the date of the sale of the aircraft.

2 "Post-sale customization" means any improvement,  
3 maintenance, or repair that is performed on an aircraft  
4 following a transfer of ownership of the aircraft.

5 "Prepurchase evaluation" means an examination of an  
6 aircraft to provide a potential purchaser with information  
7 relevant to the potential purchase.

8 "Registered in this State" means an aircraft registered  
9 with the Department of Transportation, Aeronautics Division,  
10 or titled or registered with the Federal Aviation  
11 Administration to an address located in this State.

12 This subsection (h-2) is exempt from the provisions of  
13 Section 3-90.

14 (i) Beginning July 1, 1999, the use, in this State, of fuel  
15 acquired outside this State and brought into this State in the  
16 fuel supply tanks of locomotives engaged in freight hauling and  
17 passenger service for interstate commerce. This subsection is  
18 exempt from the provisions of Section 3-90.

19 (j) Beginning on January 1, 2002 and through June 30, 2016,  
20 the use of tangible personal property purchased from an  
21 Illinois retailer by a taxpayer engaged in centralized  
22 purchasing activities in Illinois who will, upon receipt of the  
23 property in Illinois, temporarily store the property in  
24 Illinois (i) for the purpose of subsequently transporting it  
25 outside this State for use or consumption thereafter solely  
26 outside this State or (ii) for the purpose of being processed,

1 fabricated, or manufactured into, attached to, or incorporated  
2 into other tangible personal property to be transported outside  
3 this State and thereafter used or consumed solely outside this  
4 State. The Director of Revenue shall, pursuant to rules adopted  
5 in accordance with the Illinois Administrative Procedure Act,  
6 issue a permit to any taxpayer in good standing with the  
7 Department who is eligible for the exemption under this  
8 subsection (j). The permit issued under this subsection (j)  
9 shall authorize the holder, to the extent and in the manner  
10 specified in the rules adopted under this Act, to purchase  
11 tangible personal property from a retailer exempt from the  
12 taxes imposed by this Act. Taxpayers shall maintain all  
13 necessary books and records to substantiate the use and  
14 consumption of all such tangible personal property outside of  
15 the State of Illinois.

16 (Source: P.A. 97-73, eff. 6-30-11.)

17 (35 ILCS 105/3-85)

18 Sec. 3-85. Manufacturer's Purchase Credit. For purchases  
19 of machinery and equipment made on and after January 1, 1995  
20 through June 30, 2003, and on and after September 1, 2004  
21 through August 30, 2014, a purchaser of manufacturing machinery  
22 and equipment that qualifies for the exemption provided by  
23 paragraph (18) of Section 3-5 of this Act earns a credit in an  
24 amount equal to a fixed percentage of the tax which would have  
25 been incurred under this Act on those purchases. For purchases

1 of graphic arts machinery and equipment made on or after July  
2 1, 1996 and through June 30, 2003, and on and after September  
3 1, 2004 through August 30, 2014, a purchaser of graphic arts  
4 machinery and equipment that qualifies for the exemption  
5 provided by paragraph (6) of Section 3-5 of this Act earns a  
6 credit in an amount equal to a fixed percentage of the tax that  
7 would have been incurred under this Act on those purchases. The  
8 credit earned for purchases of manufacturing machinery and  
9 equipment or graphic arts machinery and equipment shall be  
10 referred to as the Manufacturer's Purchase Credit. A graphic  
11 arts producer is a person engaged in graphic arts production as  
12 defined in Section 2-30 of the Retailers' Occupation Tax Act.  
13 Beginning July 1, 1996, all references in this Section to  
14 manufacturers or manufacturing shall also be deemed to refer to  
15 graphic arts producers or graphic arts production.

16 The amount of credit shall be a percentage of the tax that  
17 would have been incurred on the purchase of manufacturing  
18 machinery and equipment or graphic arts machinery and equipment  
19 if the exemptions provided by paragraph (6) or paragraph (18)  
20 of Section 3-5 of this Act had not been applicable. The  
21 percentage shall be as follows:

22 (1) 15% for purchases made on or before June 30, 1995.

23 (2) 25% for purchases made after June 30, 1995, and on  
24 or before June 30, 1996.

25 (3) 40% for purchases made after June 30, 1996, and on  
26 or before June 30, 1997.

1 (4) 50% for purchases made on or after July 1, 1997.

2 (a) Manufacturer's Purchase Credit earned prior to July 1,  
3 2003. This subsection (a) applies to Manufacturer's Purchase  
4 Credit earned prior to July 1, 2003. A purchaser of production  
5 related tangible personal property desiring to use the  
6 Manufacturer's Purchase Credit shall certify to the seller  
7 prior to October 1, 2003 that the purchaser is satisfying all  
8 or part of the liability under the Use Tax Act or the Service  
9 Use Tax Act that is due on the purchase of the production  
10 related tangible personal property by use of Manufacturer's  
11 Purchase Credit. The Manufacturer's Purchase Credit  
12 certification must be dated and shall include the name and  
13 address of the purchaser, the purchaser's registration number,  
14 if registered, the credit being applied, and a statement that  
15 the State Use Tax or Service Use Tax liability is being  
16 satisfied with the manufacturer's or graphic arts producer's  
17 accumulated purchase credit. Certification may be incorporated  
18 into the manufacturer's or graphic arts producer's purchase  
19 order. Manufacturer's Purchase Credit certification provided  
20 by the manufacturer or graphic arts producer prior to October  
21 1, 2003 may be used to satisfy the retailer's or serviceman's  
22 liability under the Retailers' Occupation Tax Act or Service  
23 Occupation Tax Act for the credit claimed, not to exceed 7.25%  
24 ~~6.25%~~ of the receipts subject to tax from a qualifying  
25 purchase, but only if the retailer or serviceman reports the  
26 Manufacturer's Purchase Credit claimed as required by the

1 Department. A Manufacturer's Purchase Credit reported on any  
2 original or amended return filed under this Act after October  
3 20, 2003 shall be disallowed. The Manufacturer's Purchase  
4 Credit earned by purchase of exempt manufacturing machinery and  
5 equipment or graphic arts machinery and equipment is a  
6 non-transferable credit. A manufacturer or graphic arts  
7 producer that enters into a contract involving the installation  
8 of tangible personal property into real estate within a  
9 manufacturing or graphic arts production facility may, prior to  
10 October 1, 2003, authorize a construction contractor to utilize  
11 credit accumulated by the manufacturer or graphic arts producer  
12 to purchase the tangible personal property. A manufacturer or  
13 graphic arts producer intending to use accumulated credit to  
14 purchase such tangible personal property shall execute a  
15 written contract authorizing the contractor to utilize a  
16 specified dollar amount of credit. The contractor shall  
17 furnish, prior to October 1, 2003, the supplier with the  
18 manufacturer's or graphic arts producer's name, registration  
19 or resale number, and a statement that a specific amount of the  
20 Use Tax or Service Use Tax liability, not to exceed 6.25% of  
21 the selling price, is being satisfied with the credit. The  
22 manufacturer or graphic arts producer shall remain liable to  
23 timely report all information required by the annual Report of  
24 Manufacturer's Purchase Credit Used for all credit utilized by  
25 a construction contractor.

26 No Manufacturer's Purchase Credit earned prior to July 1,

1 2003 may be used after October 1, 2003. The Manufacturer's  
2 Purchase Credit may be used to satisfy liability under the Use  
3 Tax Act or the Service Use Tax Act due on the purchase of  
4 production related tangible personal property (including  
5 purchases by a manufacturer, by a graphic arts producer, or by  
6 a lessor who rents or leases the use of the property to a  
7 manufacturer or graphic arts producer) that does not otherwise  
8 qualify for the manufacturing machinery and equipment  
9 exemption or the graphic arts machinery and equipment  
10 exemption. "Production related tangible personal property"  
11 means (i) all tangible personal property used or consumed by  
12 the purchaser in a manufacturing facility in which a  
13 manufacturing process described in Section 2-45 of the  
14 Retailers' Occupation Tax Act takes place, including tangible  
15 personal property purchased for incorporation into real estate  
16 within a manufacturing facility and including, but not limited  
17 to, tangible personal property used or consumed in activities  
18 such as preproduction material handling, receiving, quality  
19 control, inventory control, storage, staging, and packaging  
20 for shipping and transportation purposes; (ii) all tangible  
21 personal property used or consumed by the purchaser in a  
22 graphic arts facility in which graphic arts production as  
23 described in Section 2-30 of the Retailers' Occupation Tax Act  
24 takes place, including tangible personal property purchased  
25 for incorporation into real estate within a graphic arts  
26 facility and including, but not limited to, all tangible

1 personal property used or consumed in activities such as  
2 graphic arts preliminary or pre-press production,  
3 pre-production material handling, receiving, quality control,  
4 inventory control, storage, staging, sorting, labeling,  
5 mailing, tying, wrapping, and packaging; and (iii) all tangible  
6 personal property used or consumed by the purchaser for  
7 research and development. "Production related tangible  
8 personal property" does not include (i) tangible personal  
9 property used, within or without a manufacturing facility, in  
10 sales, purchasing, accounting, fiscal management, marketing,  
11 personnel recruitment or selection, or landscaping or (ii)  
12 tangible personal property required to be titled or registered  
13 with a department, agency, or unit of federal, state, or local  
14 government. The Manufacturer's Purchase Credit may be used,  
15 prior to October 1, 2003, to satisfy the tax arising either  
16 from the purchase of machinery and equipment on or after  
17 January 1, 1995 for which the exemption provided by paragraph  
18 (18) of Section 3-5 of this Act was erroneously claimed, or the  
19 purchase of machinery and equipment on or after July 1, 1996  
20 for which the exemption provided by paragraph (6) of Section  
21 3-5 of this Act was erroneously claimed, but not in  
22 satisfaction of penalty, if any, and interest for failure to  
23 pay the tax when due. A purchaser of production related  
24 tangible personal property who is required to pay Illinois Use  
25 Tax or Service Use Tax on the purchase directly to the  
26 Department may, prior to October 1, 2003, utilize the

1 Manufacturer's Purchase Credit in satisfaction of the tax  
2 arising from that purchase, but not in satisfaction of penalty  
3 and interest. A purchaser who uses the Manufacturer's Purchase  
4 Credit to purchase property which is later determined not to be  
5 production related tangible personal property may be liable for  
6 tax, penalty, and interest on the purchase of that property as  
7 of the date of purchase but shall be entitled to use the  
8 disallowed Manufacturer's Purchase Credit, so long as it has  
9 not expired and is used prior to October 1, 2003, on qualifying  
10 purchases of production related tangible personal property not  
11 previously subject to credit usage. The Manufacturer's  
12 Purchase Credit earned by a manufacturer or graphic arts  
13 producer expires the last day of the second calendar year  
14 following the calendar year in which the credit arose. No  
15 Manufacturer's Purchase Credit may be used after September 30,  
16 2003 regardless of when that credit was earned.

17 A purchaser earning Manufacturer's Purchase Credit shall  
18 sign and file an annual Report of Manufacturer's Purchase  
19 Credit Earned for each calendar year no later than the last day  
20 of the sixth month following the calendar year in which a  
21 Manufacturer's Purchase Credit is earned. A Report of  
22 Manufacturer's Purchase Credit Earned shall be filed on forms  
23 as prescribed or approved by the Department and shall state,  
24 for each month of the calendar year: (i) the total purchase  
25 price of all purchases of exempt manufacturing or graphic arts  
26 machinery on which the credit was earned; (ii) the total State

1 Use Tax or Service Use Tax which would have been due on those  
2 items; (iii) the percentage used to calculate the amount of  
3 credit earned; (iv) the amount of credit earned; and (v) such  
4 other information as the Department may reasonably require. A  
5 purchaser earning Manufacturer's Purchase Credit shall  
6 maintain records which identify, as to each purchase of  
7 manufacturing or graphic arts machinery and equipment on which  
8 the purchaser earned Manufacturer's Purchase Credit, the  
9 vendor (including, if applicable, either the vendor's  
10 registration number or Federal Employer Identification  
11 Number), the purchase price, and the amount of Manufacturer's  
12 Purchase Credit earned on each purchase.

13 A purchaser using Manufacturer's Purchase Credit shall  
14 sign and file an annual Report of Manufacturer's Purchase  
15 Credit Used for each calendar year no later than the last day  
16 of the sixth month following the calendar year in which a  
17 Manufacturer's Purchase Credit is used. A Report of  
18 Manufacturer's Purchase Credit Used shall be filed on forms as  
19 prescribed or approved by the Department and shall state, for  
20 each month of the calendar year: (i) the total purchase price  
21 of production related tangible personal property purchased  
22 from Illinois suppliers; (ii) the total purchase price of  
23 production related tangible personal property purchased from  
24 out-of-state suppliers; (iii) the total amount of credit used  
25 during such month; and (iv) such other information as the  
26 Department may reasonably require. A purchaser using

1 Manufacturer's Purchase Credit shall maintain records that  
2 identify, as to each purchase of production related tangible  
3 personal property on which the purchaser used Manufacturer's  
4 Purchase Credit, the vendor (including, if applicable, either  
5 the vendor's registration number or Federal Employer  
6 Identification Number), the purchase price, and the amount of  
7 Manufacturer's Purchase Credit used on each purchase.

8 No annual report shall be filed before May 1, 1996 or after  
9 June 30, 2004. A purchaser that fails to file an annual Report  
10 of Manufacturer's Purchase Credit Earned or an annual Report of  
11 Manufacturer's Purchase Credit Used by the last day of the  
12 sixth month following the end of the calendar year shall  
13 forfeit all Manufacturer's Purchase Credit for that calendar  
14 year unless it establishes that its failure to file was due to  
15 reasonable cause. Manufacturer's Purchase Credit reports may  
16 be amended to report and claim credit on qualifying purchases  
17 not previously reported at any time before the credit would  
18 have expired, unless both the Department and the purchaser have  
19 agreed to an extension of the statute of limitations for the  
20 issuance of a notice of tax liability as provided in Section 4  
21 of the Retailers' Occupation Tax Act. If the time for  
22 assessment or refund has been extended, then amended reports  
23 for a calendar year may be filed at any time prior to the date  
24 to which the statute of limitations for the calendar year or  
25 portion thereof has been extended. No Manufacturer's Purchase  
26 Credit report filed with the Department for periods prior to

1 January 1, 1995 shall be approved. Manufacturer's Purchase  
2 Credit claimed on an amended report may be used, until October  
3 1, 2003, to satisfy tax liability under the Use Tax Act or the  
4 Service Use Tax Act (i) on qualifying purchases of production  
5 related tangible personal property made after the date the  
6 amended report is filed or (ii) assessed by the Department on  
7 qualifying purchases of production related tangible personal  
8 property made in the case of manufacturers on or after January  
9 1, 1995, or in the case of graphic arts producers on or after  
10 July 1, 1996.

11 If the purchaser is not the manufacturer or a graphic arts  
12 producer, but rents or leases the use of the property to a  
13 manufacturer or graphic arts producer, the purchaser may earn,  
14 report, and use Manufacturer's Purchase Credit in the same  
15 manner as a manufacturer or graphic arts producer.

16 A purchaser shall not be entitled to any Manufacturer's  
17 Purchase Credit for a purchase that is required to be reported  
18 and is not timely reported as provided in this Section. A  
19 purchaser remains liable for (i) any tax that was satisfied by  
20 use of a Manufacturer's Purchase Credit, as of the date of  
21 purchase, if that use is not timely reported as required in  
22 this Section and (ii) for any applicable penalties and interest  
23 for failing to pay the tax when due. No Manufacturer's Purchase  
24 Credit may be used after September 30, 2003 to satisfy any tax  
25 liability imposed under this Act, including any audit  
26 liability.

1           (b) Manufacturer's Purchase Credit earned on and after  
2           September 1, 2004. This subsection (b) applies to  
3           Manufacturer's Purchase Credit earned on and after September 1,  
4           2004. Manufacturer's Purchase Credit earned on or after  
5           September 1, 2004 may only be used to satisfy the Use Tax or  
6           Service Use Tax liability incurred on production related  
7           tangible personal property purchased on or after September 1,  
8           2004. A purchaser of production related tangible personal  
9           property desiring to use the Manufacturer's Purchase Credit  
10          shall certify to the seller that the purchaser is satisfying  
11          all or part of the liability under the Use Tax Act or the  
12          Service Use Tax Act that is due on the purchase of the  
13          production related tangible personal property by use of  
14          Manufacturer's Purchase Credit. The Manufacturer's Purchase  
15          Credit certification must be dated and shall include the name  
16          and address of the purchaser, the purchaser's registration  
17          number, if registered, the credit being applied, and a  
18          statement that the State Use Tax or Service Use Tax liability  
19          is being satisfied with the manufacturer's or graphic arts  
20          producer's accumulated purchase credit. Certification may be  
21          incorporated into the manufacturer's or graphic arts  
22          producer's purchase order. Manufacturer's Purchase Credit  
23          certification provided by the manufacturer or graphic arts  
24          producer may be used to satisfy the retailer's or serviceman's  
25          liability under the Retailers' Occupation Tax Act or Service  
26          Occupation Tax Act for the credit claimed, not to exceed 7.25%

1 ~~6.25%~~ of the receipts subject to tax from a qualifying  
2 purchase, but only if the retailer or serviceman reports the  
3 Manufacturer's Purchase Credit claimed as required by the  
4 Department. The Manufacturer's Purchase Credit earned by  
5 purchase of exempt manufacturing machinery and equipment or  
6 graphic arts machinery and equipment is a non-transferable  
7 credit. A manufacturer or graphic arts producer that enters  
8 into a contract involving the installation of tangible personal  
9 property into real estate within a manufacturing or graphic  
10 arts production facility may, on or after September 1, 2004,  
11 authorize a construction contractor to utilize credit  
12 accumulated by the manufacturer or graphic arts producer to  
13 purchase the tangible personal property. A manufacturer or  
14 graphic arts producer intending to use accumulated credit to  
15 purchase such tangible personal property shall execute a  
16 written contract authorizing the contractor to utilize a  
17 specified dollar amount of credit. The contractor shall furnish  
18 the supplier with the manufacturer's or graphic arts producer's  
19 name, registration or resale number, and a statement that a  
20 specific amount of the Use Tax or Service Use Tax liability,  
21 not to exceed 7.25% ~~6.25%~~ of the selling price, is being  
22 satisfied with the credit. The manufacturer or graphic arts  
23 producer shall remain liable to timely report all information  
24 required by the annual Report of Manufacturer's Purchase Credit  
25 Used for all credit utilized by a construction contractor.

26 The Manufacturer's Purchase Credit may be used to satisfy

1 liability under the Use Tax Act or the Service Use Tax Act due  
2 on the purchase, made on or after September 1, 2004, of  
3 production related tangible personal property (including  
4 purchases by a manufacturer, by a graphic arts producer, or by  
5 a lessor who rents or leases the use of the property to a  
6 manufacturer or graphic arts producer) that does not otherwise  
7 qualify for the manufacturing machinery and equipment  
8 exemption or the graphic arts machinery and equipment  
9 exemption. "Production related tangible personal property"  
10 means (i) all tangible personal property used or consumed by  
11 the purchaser in a manufacturing facility in which a  
12 manufacturing process described in Section 2-45 of the  
13 Retailers' Occupation Tax Act takes place, including tangible  
14 personal property purchased for incorporation into real estate  
15 within a manufacturing facility and including, but not limited  
16 to, tangible personal property used or consumed in activities  
17 such as preproduction material handling, receiving, quality  
18 control, inventory control, storage, staging, and packaging  
19 for shipping and transportation purposes; (ii) all tangible  
20 personal property used or consumed by the purchaser in a  
21 graphic arts facility in which graphic arts production as  
22 described in Section 2-30 of the Retailers' Occupation Tax Act  
23 takes place, including tangible personal property purchased  
24 for incorporation into real estate within a graphic arts  
25 facility and including, but not limited to, all tangible  
26 personal property used or consumed in activities such as

1 graphic arts preliminary or pre-press production,  
2 pre-production material handling, receiving, quality control,  
3 inventory control, storage, staging, sorting, labeling,  
4 mailing, tying, wrapping, and packaging; and (iii) all tangible  
5 personal property used or consumed by the purchaser for  
6 research and development. "Production related tangible  
7 personal property" does not include (i) tangible personal  
8 property used, within or without a manufacturing facility, in  
9 sales, purchasing, accounting, fiscal management, marketing,  
10 personnel recruitment or selection, or landscaping or (ii)  
11 tangible personal property required to be titled or registered  
12 with a department, agency, or unit of federal, state, or local  
13 government. The Manufacturer's Purchase Credit may be used to  
14 satisfy the tax arising either from the purchase of machinery  
15 and equipment on or after September 1, 2004 for which the  
16 exemption provided by paragraph (18) of Section 3-5 of this Act  
17 was erroneously claimed, or the purchase of machinery and  
18 equipment on or after September 1, 2004 for which the exemption  
19 provided by paragraph (6) of Section 3-5 of this Act was  
20 erroneously claimed, but not in satisfaction of penalty, if  
21 any, and interest for failure to pay the tax when due. A  
22 purchaser of production related tangible personal property  
23 that is purchased on or after September 1, 2004 who is required  
24 to pay Illinois Use Tax or Service Use Tax on the purchase  
25 directly to the Department may utilize the Manufacturer's  
26 Purchase Credit in satisfaction of the tax arising from that

1 purchase, but not in satisfaction of penalty and interest. A  
2 purchaser who uses the Manufacturer's Purchase Credit to  
3 purchase property on and after September 1, 2004 which is later  
4 determined not to be production related tangible personal  
5 property may be liable for tax, penalty, and interest on the  
6 purchase of that property as of the date of purchase but shall  
7 be entitled to use the disallowed Manufacturer's Purchase  
8 Credit, so long as it has not expired and is used on qualifying  
9 purchases of production related tangible personal property not  
10 previously subject to credit usage. The Manufacturer's  
11 Purchase Credit earned by a manufacturer or graphic arts  
12 producer expires the last day of the second calendar year  
13 following the calendar year in which the credit arose. A  
14 purchaser earning Manufacturer's Purchase Credit shall sign  
15 and file an annual Report of Manufacturer's Purchase Credit  
16 Earned for each calendar year no later than the last day of the  
17 sixth month following the calendar year in which a  
18 Manufacturer's Purchase Credit is earned. A Report of  
19 Manufacturer's Purchase Credit Earned shall be filed on forms  
20 as prescribed or approved by the Department and shall state,  
21 for each month of the calendar year: (i) the total purchase  
22 price of all purchases of exempt manufacturing or graphic arts  
23 machinery on which the credit was earned; (ii) the total State  
24 Use Tax or Service Use Tax which would have been due on those  
25 items; (iii) the percentage used to calculate the amount of  
26 credit earned; (iv) the amount of credit earned; and (v) such

1 other information as the Department may reasonably require. A  
2 purchaser earning Manufacturer's Purchase Credit shall  
3 maintain records which identify, as to each purchase of  
4 manufacturing or graphic arts machinery and equipment on which  
5 the purchaser earned Manufacturer's Purchase Credit, the  
6 vendor (including, if applicable, either the vendor's  
7 registration number or Federal Employer Identification  
8 Number), the purchase price, and the amount of Manufacturer's  
9 Purchase Credit earned on each purchase. A purchaser using  
10 Manufacturer's Purchase Credit shall sign and file an annual  
11 Report of Manufacturer's Purchase Credit Used for each calendar  
12 year no later than the last day of the sixth month following  
13 the calendar year in which a Manufacturer's Purchase Credit is  
14 used. A Report of Manufacturer's Purchase Credit Used shall be  
15 filed on forms as prescribed or approved by the Department and  
16 shall state, for each month of the calendar year: (i) the total  
17 purchase price of production related tangible personal  
18 property purchased from Illinois suppliers; (ii) the total  
19 purchase price of production related tangible personal  
20 property purchased from out-of-state suppliers; (iii) the  
21 total amount of credit used during such month; and (iv) such  
22 other information as the Department may reasonably require. A  
23 purchaser using Manufacturer's Purchase Credit shall maintain  
24 records that identify, as to each purchase of production  
25 related tangible personal property on which the purchaser used  
26 Manufacturer's Purchase Credit, the vendor (including, if

1 applicable, either the vendor's registration number or Federal  
2 Employer Identification Number), the purchase price, and the  
3 amount of Manufacturer's Purchase Credit used on each purchase.

4 A purchaser that fails to file an annual Report of  
5 Manufacturer's Purchase Credit Earned or an annual Report of  
6 Manufacturer's Purchase Credit Used by the last day of the  
7 sixth month following the end of the calendar year shall  
8 forfeit all Manufacturer's Purchase Credit for that calendar  
9 year unless it establishes that its failure to file was due to  
10 reasonable cause. Manufacturer's Purchase Credit reports may  
11 be amended to report and claim credit on qualifying purchases  
12 not previously reported at any time before the credit would  
13 have expired, unless both the Department and the purchaser have  
14 agreed to an extension of the statute of limitations for the  
15 issuance of a notice of tax liability as provided in Section 4  
16 of the Retailers' Occupation Tax Act. If the time for  
17 assessment or refund has been extended, then amended reports  
18 for a calendar year may be filed at any time prior to the date  
19 to which the statute of limitations for the calendar year or  
20 portion thereof has been extended. Manufacturer's Purchase  
21 Credit claimed on an amended report may be used to satisfy tax  
22 liability under the Use Tax Act or the Service Use Tax Act (i)  
23 on qualifying purchases of production related tangible  
24 personal property made after the date the amended report is  
25 filed or (ii) assessed by the Department on qualifying  
26 production related tangible personal property purchased on or

1 after September 1, 2004. If the purchaser is not the  
2 manufacturer or a graphic arts producer, but rents or leases  
3 the use of the property to a manufacturer or graphic arts  
4 producer, the purchaser may earn, report, and use  
5 Manufacturer's Purchase Credit in the same manner as a  
6 manufacturer or graphic arts producer. A purchaser shall not be  
7 entitled to any Manufacturer's Purchase Credit for a purchase  
8 that is required to be reported and is not timely reported as  
9 provided in this Section. A purchaser remains liable for (i)  
10 any tax that was satisfied by use of a Manufacturer's Purchase  
11 Credit, as of the date of purchase, if that use is not timely  
12 reported as required in this Section and (ii) for any  
13 applicable penalties and interest for failing to pay the tax  
14 when due.

15 (Source: P.A. 96-116, eff. 7-31-09.)

16 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

17 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
18 and trailers that are required to be registered with an agency  
19 of this State, each retailer required or authorized to collect  
20 the tax imposed by this Act shall pay to the Department the  
21 amount of such tax (except as otherwise provided) at the time  
22 when he is required to file his return for the period during  
23 which such tax was collected, less a discount of 2.1% prior to  
24 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
25 per calendar year, whichever is greater, which is allowed to

1 reimburse the retailer for expenses incurred in collecting the  
2 tax, keeping records, preparing and filing returns, remitting  
3 the tax and supplying data to the Department on request. In the  
4 case of retailers who report and pay the tax on a transaction  
5 by transaction basis, as provided in this Section, such  
6 discount shall be taken with each such tax remittance instead  
7 of when such retailer files his periodic return. The Department  
8 may disallow the discount for retailers whose certificate of  
9 registration is revoked at the time the return is filed, but  
10 only if the Department's decision to revoke the certificate of  
11 registration has become final. A retailer need not remit that  
12 part of any tax collected by him to the extent that he is  
13 required to remit and does remit the tax imposed by the  
14 Retailers' Occupation Tax Act, with respect to the sale of the  
15 same property.

16 Where such tangible personal property is sold under a  
17 conditional sales contract, or under any other form of sale  
18 wherein the payment of the principal sum, or a part thereof, is  
19 extended beyond the close of the period for which the return is  
20 filed, the retailer, in collecting the tax (except as to motor  
21 vehicles, watercraft, aircraft, and trailers that are required  
22 to be registered with an agency of this State), may collect for  
23 each tax return period, only the tax applicable to that part of  
24 the selling price actually received during such tax return  
25 period.

26 Except as provided in this Section, on or before the

1 twentieth day of each calendar month, such retailer shall file  
2 a return for the preceding calendar month. Such return shall be  
3 filed on forms prescribed by the Department and shall furnish  
4 such information as the Department may reasonably require.

5 The Department may require returns to be filed on a  
6 quarterly basis. If so required, a return for each calendar  
7 quarter shall be filed on or before the twentieth day of the  
8 calendar month following the end of such calendar quarter. The  
9 taxpayer shall also file a return with the Department for each  
10 of the first two months of each calendar quarter, on or before  
11 the twentieth day of the following calendar month, stating:

12 1. The name of the seller;

13 2. The address of the principal place of business from  
14 which he engages in the business of selling tangible  
15 personal property at retail in this State;

16 3. The total amount of taxable receipts received by him  
17 during the preceding calendar month from sales of tangible  
18 personal property by him during such preceding calendar  
19 month, including receipts from charge and time sales, but  
20 less all deductions allowed by law;

21 4. The amount of credit provided in Section 2d of this  
22 Act;

23 5. The amount of tax due;

24 5-5. The signature of the taxpayer; and

25 6. Such other reasonable information as the Department  
26 may require.

1           If a taxpayer fails to sign a return within 30 days after  
2 the proper notice and demand for signature by the Department,  
3 the return shall be considered valid and any amount shown to be  
4 due on the return shall be deemed assessed.

5           Beginning October 1, 1993, a taxpayer who has an average  
6 monthly tax liability of \$150,000 or more shall make all  
7 payments required by rules of the Department by electronic  
8 funds transfer. Beginning October 1, 1994, a taxpayer who has  
9 an average monthly tax liability of \$100,000 or more shall make  
10 all payments required by rules of the Department by electronic  
11 funds transfer. Beginning October 1, 1995, a taxpayer who has  
12 an average monthly tax liability of \$50,000 or more shall make  
13 all payments required by rules of the Department by electronic  
14 funds transfer. Beginning October 1, 2000, a taxpayer who has  
15 an annual tax liability of \$200,000 or more shall make all  
16 payments required by rules of the Department by electronic  
17 funds transfer. The term "annual tax liability" shall be the  
18 sum of the taxpayer's liabilities under this Act, and under all  
19 other State and local occupation and use tax laws administered  
20 by the Department, for the immediately preceding calendar year.  
21 The term "average monthly tax liability" means the sum of the  
22 taxpayer's liabilities under this Act, and under all other  
23 State and local occupation and use tax laws administered by the  
24 Department, for the immediately preceding calendar year  
25 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
26 a tax liability in the amount set forth in subsection (b) of

1 Section 2505-210 of the Department of Revenue Law shall make  
2 all payments required by rules of the Department by electronic  
3 funds transfer.

4 Before August 1 of each year beginning in 1993, the  
5 Department shall notify all taxpayers required to make payments  
6 by electronic funds transfer. All taxpayers required to make  
7 payments by electronic funds transfer shall make those payments  
8 for a minimum of one year beginning on October 1.

9 Any taxpayer not required to make payments by electronic  
10 funds transfer may make payments by electronic funds transfer  
11 with the permission of the Department.

12 All taxpayers required to make payment by electronic funds  
13 transfer and any taxpayers authorized to voluntarily make  
14 payments by electronic funds transfer shall make those payments  
15 in the manner authorized by the Department.

16 The Department shall adopt such rules as are necessary to  
17 effectuate a program of electronic funds transfer and the  
18 requirements of this Section.

19 Before October 1, 2000, if the taxpayer's average monthly  
20 tax liability to the Department under this Act, the Retailers'  
21 Occupation Tax Act, the Service Occupation Tax Act, the Service  
22 Use Tax Act was \$10,000 or more during the preceding 4 complete  
23 calendar quarters, he shall file a return with the Department  
24 each month by the 20th day of the month next following the  
25 month during which such tax liability is incurred and shall  
26 make payments to the Department on or before the 7th, 15th,

1 22nd and last day of the month during which such liability is  
2 incurred. On and after October 1, 2000, if the taxpayer's  
3 average monthly tax liability to the Department under this Act,  
4 the Retailers' Occupation Tax Act, the Service Occupation Tax  
5 Act, and the Service Use Tax Act was \$20,000 or more during the  
6 preceding 4 complete calendar quarters, he shall file a return  
7 with the Department each month by the 20th day of the month  
8 next following the month during which such tax liability is  
9 incurred and shall make payment to the Department on or before  
10 the 7th, 15th, 22nd and last day of the month during which such  
11 liability is incurred. If the month during which such tax  
12 liability is incurred began prior to January 1, 1985, each  
13 payment shall be in an amount equal to 1/4 of the taxpayer's  
14 actual liability for the month or an amount set by the  
15 Department not to exceed 1/4 of the average monthly liability  
16 of the taxpayer to the Department for the preceding 4 complete  
17 calendar quarters (excluding the month of highest liability and  
18 the month of lowest liability in such 4 quarter period). If the  
19 month during which such tax liability is incurred begins on or  
20 after January 1, 1985, and prior to January 1, 1987, each  
21 payment shall be in an amount equal to 22.5% of the taxpayer's  
22 actual liability for the month or 27.5% of the taxpayer's  
23 liability for the same calendar month of the preceding year. If  
24 the month during which such tax liability is incurred begins on  
25 or after January 1, 1987, and prior to January 1, 1988, each  
26 payment shall be in an amount equal to 22.5% of the taxpayer's

1 actual liability for the month or 26.25% of the taxpayer's  
2 liability for the same calendar month of the preceding year. If  
3 the month during which such tax liability is incurred begins on  
4 or after January 1, 1988, and prior to January 1, 1989, or  
5 begins on or after January 1, 1996, each payment shall be in an  
6 amount equal to 22.5% of the taxpayer's actual liability for  
7 the month or 25% of the taxpayer's liability for the same  
8 calendar month of the preceding year. If the month during which  
9 such tax liability is incurred begins on or after January 1,  
10 1989, and prior to January 1, 1996, each payment shall be in an  
11 amount equal to 22.5% of the taxpayer's actual liability for  
12 the month or 25% of the taxpayer's liability for the same  
13 calendar month of the preceding year or 100% of the taxpayer's  
14 actual liability for the quarter monthly reporting period. The  
15 amount of such quarter monthly payments shall be credited  
16 against the final tax liability of the taxpayer's return for  
17 that month. Before October 1, 2000, once applicable, the  
18 requirement of the making of quarter monthly payments to the  
19 Department shall continue until such taxpayer's average  
20 monthly liability to the Department during the preceding 4  
21 complete calendar quarters (excluding the month of highest  
22 liability and the month of lowest liability) is less than  
23 \$9,000, or until such taxpayer's average monthly liability to  
24 the Department as computed for each calendar quarter of the 4  
25 preceding complete calendar quarter period is less than  
26 \$10,000. However, if a taxpayer can show the Department that a

1 substantial change in the taxpayer's business has occurred  
2 which causes the taxpayer to anticipate that his average  
3 monthly tax liability for the reasonably foreseeable future  
4 will fall below the \$10,000 threshold stated above, then such  
5 taxpayer may petition the Department for change in such  
6 taxpayer's reporting status. On and after October 1, 2000, once  
7 applicable, the requirement of the making of quarter monthly  
8 payments to the Department shall continue until such taxpayer's  
9 average monthly liability to the Department during the  
10 preceding 4 complete calendar quarters (excluding the month of  
11 highest liability and the month of lowest liability) is less  
12 than \$19,000 or until such taxpayer's average monthly liability  
13 to the Department as computed for each calendar quarter of the  
14 4 preceding complete calendar quarter period is less than  
15 \$20,000. However, if a taxpayer can show the Department that a  
16 substantial change in the taxpayer's business has occurred  
17 which causes the taxpayer to anticipate that his average  
18 monthly tax liability for the reasonably foreseeable future  
19 will fall below the \$20,000 threshold stated above, then such  
20 taxpayer may petition the Department for a change in such  
21 taxpayer's reporting status. The Department shall change such  
22 taxpayer's reporting status unless it finds that such change is  
23 seasonal in nature and not likely to be long term. If any such  
24 quarter monthly payment is not paid at the time or in the  
25 amount required by this Section, then the taxpayer shall be  
26 liable for penalties and interest on the difference between the

1 minimum amount due and the amount of such quarter monthly  
2 payment actually and timely paid, except insofar as the  
3 taxpayer has previously made payments for that month to the  
4 Department in excess of the minimum payments previously due as  
5 provided in this Section. The Department shall make reasonable  
6 rules and regulations to govern the quarter monthly payment  
7 amount and quarter monthly payment dates for taxpayers who file  
8 on other than a calendar monthly basis.

9 If any such payment provided for in this Section exceeds  
10 the taxpayer's liabilities under this Act, the Retailers'  
11 Occupation Tax Act, the Service Occupation Tax Act and the  
12 Service Use Tax Act, as shown by an original monthly return,  
13 the Department shall issue to the taxpayer a credit memorandum  
14 no later than 30 days after the date of payment, which  
15 memorandum may be submitted by the taxpayer to the Department  
16 in payment of tax liability subsequently to be remitted by the  
17 taxpayer to the Department or be assigned by the taxpayer to a  
18 similar taxpayer under this Act, the Retailers' Occupation Tax  
19 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
20 in accordance with reasonable rules and regulations to be  
21 prescribed by the Department, except that if such excess  
22 payment is shown on an original monthly return and is made  
23 after December 31, 1986, no credit memorandum shall be issued,  
24 unless requested by the taxpayer. If no such request is made,  
25 the taxpayer may credit such excess payment against tax  
26 liability subsequently to be remitted by the taxpayer to the

1 Department under this Act, the Retailers' Occupation Tax Act,  
2 the Service Occupation Tax Act or the Service Use Tax Act, in  
3 accordance with reasonable rules and regulations prescribed by  
4 the Department. If the Department subsequently determines that  
5 all or any part of the credit taken was not actually due to the  
6 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
7 be reduced by 2.1% or 1.75% of the difference between the  
8 credit taken and that actually due, and the taxpayer shall be  
9 liable for penalties and interest on such difference.

10 If the retailer is otherwise required to file a monthly  
11 return and if the retailer's average monthly tax liability to  
12 the Department does not exceed \$200, the Department may  
13 authorize his returns to be filed on a quarter annual basis,  
14 with the return for January, February, and March of a given  
15 year being due by April 20 of such year; with the return for  
16 April, May and June of a given year being due by July 20 of such  
17 year; with the return for July, August and September of a given  
18 year being due by October 20 of such year, and with the return  
19 for October, November and December of a given year being due by  
20 January 20 of the following year.

21 If the retailer is otherwise required to file a monthly or  
22 quarterly return and if the retailer's average monthly tax  
23 liability to the Department does not exceed \$50, the Department  
24 may authorize his returns to be filed on an annual basis, with  
25 the return for a given year being due by January 20 of the  
26 following year.

1           Such quarter annual and annual returns, as to form and  
2 substance, shall be subject to the same requirements as monthly  
3 returns.

4           Notwithstanding any other provision in this Act concerning  
5 the time within which a retailer may file his return, in the  
6 case of any retailer who ceases to engage in a kind of business  
7 which makes him responsible for filing returns under this Act,  
8 such retailer shall file a final return under this Act with the  
9 Department not more than one month after discontinuing such  
10 business.

11           In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, every retailer selling this kind of  
14 tangible personal property shall file, with the Department,  
15 upon a form to be prescribed and supplied by the Department, a  
16 separate return for each such item of tangible personal  
17 property which the retailer sells, except that if, in the same  
18 transaction, (i) a retailer of aircraft, watercraft, motor  
19 vehicles or trailers transfers more than one aircraft,  
20 watercraft, motor vehicle or trailer to another aircraft,  
21 watercraft, motor vehicle or trailer retailer for the purpose  
22 of resale or (ii) a retailer of aircraft, watercraft, motor  
23 vehicles, or trailers transfers more than one aircraft,  
24 watercraft, motor vehicle, or trailer to a purchaser for use as  
25 a qualifying rolling stock as provided in Section 3-55 of this  
26 Act, then that seller may report the transfer of all the

1 aircraft, watercraft, motor vehicles or trailers involved in  
2 that transaction to the Department on the same uniform  
3 invoice-transaction reporting return form. For purposes of  
4 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
5 watercraft as defined in Section 3-2 of the Boat Registration  
6 and Safety Act, a personal watercraft, or any boat equipped  
7 with an inboard motor.

8 The transaction reporting return in the case of motor  
9 vehicles or trailers that are required to be registered with an  
10 agency of this State, shall be the same document as the Uniform  
11 Invoice referred to in Section 5-402 of the Illinois Vehicle  
12 Code and must show the name and address of the seller; the name  
13 and address of the purchaser; the amount of the selling price  
14 including the amount allowed by the retailer for traded-in  
15 property, if any; the amount allowed by the retailer for the  
16 traded-in tangible personal property, if any, to the extent to  
17 which Section 2 of this Act allows an exemption for the value  
18 of traded-in property; the balance payable after deducting such  
19 trade-in allowance from the total selling price; the amount of  
20 tax due from the retailer with respect to such transaction; the  
21 amount of tax collected from the purchaser by the retailer on  
22 such transaction (or satisfactory evidence that such tax is not  
23 due in that particular instance, if that is claimed to be the  
24 fact); the place and date of the sale; a sufficient  
25 identification of the property sold; such other information as  
26 is required in Section 5-402 of the Illinois Vehicle Code, and

1 such other information as the Department may reasonably  
2 require.

3 The transaction reporting return in the case of watercraft  
4 and aircraft must show the name and address of the seller; the  
5 name and address of the purchaser; the amount of the selling  
6 price including the amount allowed by the retailer for  
7 traded-in property, if any; the amount allowed by the retailer  
8 for the traded-in tangible personal property, if any, to the  
9 extent to which Section 2 of this Act allows an exemption for  
10 the value of traded-in property; the balance payable after  
11 deducting such trade-in allowance from the total selling price;  
12 the amount of tax due from the retailer with respect to such  
13 transaction; the amount of tax collected from the purchaser by  
14 the retailer on such transaction (or satisfactory evidence that  
15 such tax is not due in that particular instance, if that is  
16 claimed to be the fact); the place and date of the sale, a  
17 sufficient identification of the property sold, and such other  
18 information as the Department may reasonably require.

19 Such transaction reporting return shall be filed not later  
20 than 20 days after the date of delivery of the item that is  
21 being sold, but may be filed by the retailer at any time sooner  
22 than that if he chooses to do so. The transaction reporting  
23 return and tax remittance or proof of exemption from the tax  
24 that is imposed by this Act may be transmitted to the  
25 Department by way of the State agency with which, or State  
26 officer with whom, the tangible personal property must be

1 titled or registered (if titling or registration is required)  
2 if the Department and such agency or State officer determine  
3 that this procedure will expedite the processing of  
4 applications for title or registration.

5 With each such transaction reporting return, the retailer  
6 shall remit the proper amount of tax due (or shall submit  
7 satisfactory evidence that the sale is not taxable if that is  
8 the case), to the Department or its agents, whereupon the  
9 Department shall issue, in the purchaser's name, a tax receipt  
10 (or a certificate of exemption if the Department is satisfied  
11 that the particular sale is tax exempt) which such purchaser  
12 may submit to the agency with which, or State officer with  
13 whom, he must title or register the tangible personal property  
14 that is involved (if titling or registration is required) in  
15 support of such purchaser's application for an Illinois  
16 certificate or other evidence of title or registration to such  
17 tangible personal property.

18 No retailer's failure or refusal to remit tax under this  
19 Act precludes a user, who has paid the proper tax to the  
20 retailer, from obtaining his certificate of title or other  
21 evidence of title or registration (if titling or registration  
22 is required) upon satisfying the Department that such user has  
23 paid the proper tax (if tax is due) to the retailer. The  
24 Department shall adopt appropriate rules to carry out the  
25 mandate of this paragraph.

26 If the user who would otherwise pay tax to the retailer

1 wants the transaction reporting return filed and the payment of  
2 tax or proof of exemption made to the Department before the  
3 retailer is willing to take these actions and such user has not  
4 paid the tax to the retailer, such user may certify to the fact  
5 of such delay by the retailer, and may (upon the Department  
6 being satisfied of the truth of such certification) transmit  
7 the information required by the transaction reporting return  
8 and the remittance for tax or proof of exemption directly to  
9 the Department and obtain his tax receipt or exemption  
10 determination, in which event the transaction reporting return  
11 and tax remittance (if a tax payment was required) shall be  
12 credited by the Department to the proper retailer's account  
13 with the Department, but without the 2.1% or 1.75% discount  
14 provided for in this Section being allowed. When the user pays  
15 the tax directly to the Department, he shall pay the tax in the  
16 same amount and in the same form in which it would be remitted  
17 if the tax had been remitted to the Department by the retailer.

18 Where a retailer collects the tax with respect to the  
19 selling price of tangible personal property which he sells and  
20 the purchaser thereafter returns such tangible personal  
21 property and the retailer refunds the selling price thereof to  
22 the purchaser, such retailer shall also refund, to the  
23 purchaser, the tax so collected from the purchaser. When filing  
24 his return for the period in which he refunds such tax to the  
25 purchaser, the retailer may deduct the amount of the tax so  
26 refunded by him to the purchaser from any other use tax which

1 such retailer may be required to pay or remit to the  
2 Department, as shown by such return, if the amount of the tax  
3 to be deducted was previously remitted to the Department by  
4 such retailer. If the retailer has not previously remitted the  
5 amount of such tax to the Department, he is entitled to no  
6 deduction under this Act upon refunding such tax to the  
7 purchaser.

8 Any retailer filing a return under this Section shall also  
9 include (for the purpose of paying tax thereon) the total tax  
10 covered by such return upon the selling price of tangible  
11 personal property purchased by him at retail from a retailer,  
12 but as to which the tax imposed by this Act was not collected  
13 from the retailer filing such return, and such retailer shall  
14 remit the amount of such tax to the Department when filing such  
15 return.

16 If experience indicates such action to be practicable, the  
17 Department may prescribe and furnish a combination or joint  
18 return which will enable retailers, who are required to file  
19 returns hereunder and also under the Retailers' Occupation Tax  
20 Act, to furnish all the return information required by both  
21 Acts on the one form.

22 Where the retailer has more than one business registered  
23 with the Department under separate registration under this Act,  
24 such retailer may not file each return that is due as a single  
25 return covering all such registered businesses, but shall file  
26 separate returns for each such registered business.

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the State and Local Sales Tax Reform Fund, a special  
3 fund in the State Treasury which is hereby created, the net  
4 revenue realized for the preceding month from the 1% tax on  
5 sales of food for human consumption which is to be consumed off  
6 the premises where it is sold (other than alcoholic beverages,  
7 soft drinks and food which has been prepared for immediate  
8 consumption) and prescription and nonprescription medicines,  
9 drugs, medical appliances and insulin, urine testing  
10 materials, syringes and needles used by diabetics.

11           Beginning January 1, 1990, each month the Department shall  
12 pay into the County and Mass Transit District Fund 4% of the  
13 net revenue realized for the preceding month from the 7.25%  
14 ~~6.25%~~ general rate on the selling price of tangible personal  
15 property which is purchased outside Illinois at retail from a  
16 retailer and which is titled or registered by an agency of this  
17 State's government.

18           Beginning January 1, 1990, each month the Department shall  
19 pay into the State and Local Sales Tax Reform Fund, a special  
20 fund in the State Treasury, 20% of the net revenue realized for  
21 the preceding month from the 7.25% ~~6.25%~~ general rate on the  
22 selling price of tangible personal property, other than  
23 tangible personal property which is purchased outside Illinois  
24 at retail from a retailer and which is titled or registered by  
25 an agency of this State's government.

26           Beginning August 1, 2000, each month the Department shall

1 pay into the State and Local Sales Tax Reform Fund 100% of the  
2 net revenue realized for the preceding month from the 1.25%  
3 rate on the selling price of motor fuel and gasohol. Beginning  
4 September 1, 2010, each month the Department shall pay into the  
5 State and Local Sales Tax Reform Fund 100% of the net revenue  
6 realized for the preceding month from the 1.25% rate on the  
7 selling price of sales tax holiday items.

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the Local Government Tax Fund 16% of the net revenue  
10 realized for the preceding month from the 7.25% ~~6.25%~~ general  
11 rate on the selling price of tangible personal property which  
12 is purchased outside Illinois at retail from a retailer and  
13 which is titled or registered by an agency of this State's  
14 government.

15 Beginning October 1, 2009, each month the Department shall  
16 pay into the Capital Projects Fund an amount that is equal to  
17 an amount estimated by the Department to represent 80% of the  
18 net revenue realized for the preceding month from the sale of  
19 candy, grooming and hygiene products, and soft drinks that had  
20 been taxed at a rate of 1% prior to September 1, 2009 but that  
21 are now taxed at 7.25% ~~6.25%~~.

22 Beginning July 1, 2011, each month the Department shall pay  
23 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
24 realized for the preceding month from the 7.25% ~~6.25%~~ general  
25 rate on the selling price of sorbents used in Illinois in the  
26 process of sorbent injection as used to comply with the

1 Environmental Protection Act or the federal Clean Air Act, but  
2 the total payment into the Clean Air Act (CAA) Permit Fund  
3 under this Act and the Retailers' Occupation Tax Act shall not  
4 exceed \$2,000,000 in any fiscal year.

5 Beginning August 1, 2015, each month the Department shall  
6 pay into the School Infrastructure Support Fund, a special fund  
7 created in the State treasury, 13% of the net revenue realized  
8 for the preceding month from the 7.25% general rate on the  
9 selling price of tangible personal property, other than (i)  
10 sorbents used in Illinois in the process of sorbent injection  
11 as used to comply with the Environmental Protection Act or the  
12 federal Clean Air Act, (ii) candy, (iii) grooming and hygiene  
13 products, and (iv) soft drinks. Moneys in the School  
14 Infrastructure Support Fund shall be used to make grants to  
15 school districts in the State for safety and security upgrades,  
16 energy efficient heating and cooling systems, building  
17 projects, and facility enhancements, and for the payment of  
18 obligations issued by the school district.

19 Beginning July 1, 2013, each month the Department shall pay  
20 into the Underground Storage Tank Fund from the proceeds  
21 collected under this Act, the Service Use Tax Act, the Service  
22 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
23 amount equal to the average monthly deficit in the Underground  
24 Storage Tank Fund during the prior year, as certified annually  
25 by the Illinois Environmental Protection Agency, but the total  
26 payment into the Underground Storage Tank Fund under this Act,

1 the Service Use Tax Act, the Service Occupation Tax Act, and  
2 the Retailers' Occupation Tax Act shall not exceed \$18,000,000  
3 in any State fiscal year. As used in this paragraph, the  
4 "average monthly deficit" shall be equal to the difference  
5 between the average monthly claims for payment by the fund and  
6 the average monthly revenues deposited into the fund, excluding  
7 payments made pursuant to this paragraph.

8 Of the remainder of the moneys received by the Department  
9 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
10 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
11 and after July 1, 1989, 3.8% thereof shall be paid into the  
12 Build Illinois Fund; provided, however, that if in any fiscal  
13 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
14 may be, of the moneys received by the Department and required  
15 to be paid into the Build Illinois Fund pursuant to Section 3  
16 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
17 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
18 Service Occupation Tax Act, such Acts being hereinafter called  
19 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
20 may be, of moneys being hereinafter called the "Tax Act  
21 Amount", and (2) the amount transferred to the Build Illinois  
22 Fund from the State and Local Sales Tax Reform Fund shall be  
23 less than the Annual Specified Amount (as defined in Section 3  
24 of the Retailers' Occupation Tax Act), an amount equal to the  
25 difference shall be immediately paid into the Build Illinois  
26 Fund from other moneys received by the Department pursuant to

1 the Tax Acts; and further provided, that if on the last  
2 business day of any month the sum of (1) the Tax Act Amount  
3 required to be deposited into the Build Illinois Bond Account  
4 in the Build Illinois Fund during such month and (2) the amount  
5 transferred during such month to the Build Illinois Fund from  
6 the State and Local Sales Tax Reform Fund shall have been less  
7 than 1/12 of the Annual Specified Amount, an amount equal to  
8 the difference shall be immediately paid into the Build  
9 Illinois Fund from other moneys received by the Department  
10 pursuant to the Tax Acts; and, further provided, that in no  
11 event shall the payments required under the preceding proviso  
12 result in aggregate payments into the Build Illinois Fund  
13 pursuant to this clause (b) for any fiscal year in excess of  
14 the greater of (i) the Tax Act Amount or (ii) the Annual  
15 Specified Amount for such fiscal year; and, further provided,  
16 that the amounts payable into the Build Illinois Fund under  
17 this clause (b) shall be payable only until such time as the  
18 aggregate amount on deposit under each trust indenture securing  
19 Bonds issued and outstanding pursuant to the Build Illinois  
20 Bond Act is sufficient, taking into account any future  
21 investment income, to fully provide, in accordance with such  
22 indenture, for the defeasance of or the payment of the  
23 principal of, premium, if any, and interest on the Bonds  
24 secured by such indenture and on any Bonds expected to be  
25 issued thereafter and all fees and costs payable with respect  
26 thereto, all as certified by the Director of the Bureau of the

1 Budget (now Governor's Office of Management and Budget). If on  
2 the last business day of any month in which Bonds are  
3 outstanding pursuant to the Build Illinois Bond Act, the  
4 aggregate of the moneys deposited in the Build Illinois Bond  
5 Account in the Build Illinois Fund in such month shall be less  
6 than the amount required to be transferred in such month from  
7 the Build Illinois Bond Account to the Build Illinois Bond  
8 Retirement and Interest Fund pursuant to Section 13 of the  
9 Build Illinois Bond Act, an amount equal to such deficiency  
10 shall be immediately paid from other moneys received by the  
11 Department pursuant to the Tax Acts to the Build Illinois Fund;  
12 provided, however, that any amounts paid to the Build Illinois  
13 Fund in any fiscal year pursuant to this sentence shall be  
14 deemed to constitute payments pursuant to clause (b) of the  
15 preceding sentence and shall reduce the amount otherwise  
16 payable for such fiscal year pursuant to clause (b) of the  
17 preceding sentence. The moneys received by the Department  
18 pursuant to this Act and required to be deposited into the  
19 Build Illinois Fund are subject to the pledge, claim and charge  
20 set forth in Section 12 of the Build Illinois Bond Act.

21 Subject to payment of amounts into the Build Illinois Fund  
22 as provided in the preceding paragraph or in any amendment  
23 thereto hereafter enacted, the following specified monthly  
24 installment of the amount requested in the certificate of the  
25 Chairman of the Metropolitan Pier and Exposition Authority  
26 provided under Section 8.25f of the State Finance Act, but not

1 in excess of the sums designated as "Total Deposit", shall be  
2 deposited in the aggregate from collections under Section 9 of  
3 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
4 9 of the Service Occupation Tax Act, and Section 3 of the  
5 Retailers' Occupation Tax Act into the McCormick Place  
6 Expansion Project Fund in the specified fiscal years.

7	Fiscal Year	Total Deposit
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	93,000,000
18	2003	99,000,000
19	2004	103,000,000
20	2005	108,000,000
21	2006	113,000,000
22	2007	119,000,000
23	2008	126,000,000
24	2009	132,000,000
25	2010	139,000,000
26	2011	146,000,000

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	246,000,000
11	2022	260,000,000
12	2023	275,000,000
13	2024	275,000,000
14	2025	275,000,000
15	2026	279,000,000
16	2027	292,000,000
17	2028	307,000,000
18	2029	322,000,000
19	2030	338,000,000
20	2031	350,000,000
21	2032	350,000,000

22                   and  
23                    each fiscal year  
24           thereafter that bonds  
25           are outstanding under  
26           Section 13.2 of the

1 Metropolitan Pier and  
2 Exposition Authority Act,  
3 but not after fiscal year 2060.

4 Beginning July 20, 1993 and in each month of each fiscal  
5 year thereafter, one-eighth of the amount requested in the  
6 certificate of the Chairman of the Metropolitan Pier and  
7 Exposition Authority for that fiscal year, less the amount  
8 deposited into the McCormick Place Expansion Project Fund by  
9 the State Treasurer in the respective month under subsection  
10 (g) of Section 13 of the Metropolitan Pier and Exposition  
11 Authority Act, plus cumulative deficiencies in the deposits  
12 required under this Section for previous months and years,  
13 shall be deposited into the McCormick Place Expansion Project  
14 Fund, until the full amount requested for the fiscal year, but  
15 not in excess of the amount specified above as "Total Deposit",  
16 has been deposited.

17 Subject to payment of amounts into the Build Illinois Fund  
18 and the McCormick Place Expansion Project Fund pursuant to the  
19 preceding paragraphs or in any amendments thereto hereafter  
20 enacted, beginning July 1, 1993 and ending on September 30,  
21 2013, the Department shall each month pay into the Illinois Tax  
22 Increment Fund 0.27% of 67% ~~80%~~ of the net revenue realized for  
23 the preceding month from the 7.25% ~~6.25%~~ general rate on the  
24 selling price of tangible personal property.

25 Subject to payment of amounts into the Build Illinois Fund  
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter  
2 enacted, beginning with the receipt of the first report of  
3 taxes paid by an eligible business and continuing for a 25-year  
4 period, the Department shall each month pay into the Energy  
5 Infrastructure Fund 67% ~~80%~~ of the net revenue realized from  
6 the 7.25% ~~6.25%~~ general rate on the selling price of  
7 Illinois-mined coal that was sold to an eligible business. For  
8 purposes of this paragraph, the term "eligible business" means  
9 a new electric generating facility certified pursuant to  
10 Section 605-332 of the Department of Commerce and Economic  
11 Opportunity Law of the Civil Administrative Code of Illinois.

12 Subject to payment of amounts into the Build Illinois Fund,  
13 the McCormick Place Expansion Project Fund, the Illinois Tax  
14 Increment Fund, and the Energy Infrastructure Fund pursuant to  
15 the preceding paragraphs or in any amendments to this Section  
16 hereafter enacted, beginning on the first day of the first  
17 calendar month to occur on or after the effective date of this  
18 amendatory Act of the 98th General Assembly, each month, from  
19 the collections made under Section 9 of the Use Tax Act,  
20 Section 9 of the Service Use Tax Act, Section 9 of the Service  
21 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
22 Tax Act, the Department shall pay into the Tax Compliance and  
23 Administration Fund, to be used, subject to appropriation, to  
24 fund additional auditors and compliance personnel at the  
25 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
26 the cash receipts collected during the preceding fiscal year by

1 the Audit Bureau of the Department under the Use Tax Act, the  
2 Service Use Tax Act, the Service Occupation Tax Act, the  
3 Retailers' Occupation Tax Act, and associated local occupation  
4 and use taxes administered by the Department.

5 Of the remainder of the moneys received by the Department  
6 pursuant to this Act, 75% thereof shall be paid into the State  
7 Treasury and 25% shall be reserved in a special account and  
8 used only for the transfer to the Common School Fund as part of  
9 the monthly transfer from the General Revenue Fund in  
10 accordance with Section 8a of the State Finance Act.

11 As soon as possible after the first day of each month, upon  
12 certification of the Department of Revenue, the Comptroller  
13 shall order transferred and the Treasurer shall transfer from  
14 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
15 equal to 1.7% of 80% of the net revenue realized under this Act  
16 for the second preceding month. Beginning April 1, 2000, this  
17 transfer is no longer required and shall not be made.

18 Net revenue realized for a month shall be the revenue  
19 collected by the State pursuant to this Act, less the amount  
20 paid out during that month as refunds to taxpayers for  
21 overpayment of liability.

22 For greater simplicity of administration, manufacturers,  
23 importers and wholesalers whose products are sold at retail in  
24 Illinois by numerous retailers, and who wish to do so, may  
25 assume the responsibility for accounting and paying to the  
26 Department all tax accruing under this Act with respect to such

1 sales, if the retailers who are affected do not make written  
2 objection to the Department to this arrangement.

3 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,  
4 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
5 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)

6 Section 25. The Service Use Tax Act is amended by changing  
7 Sections 3-10, 3-70, and 9 as follows:

8 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

9 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
10 Section, the tax imposed by this Act is at the rate of 7.25%  
11 ~~6.25%~~ of the selling price of tangible personal property  
12 transferred as an incident to the sale of service, but, for the  
13 purpose of computing this tax, in no event shall the selling  
14 price be less than the cost price of the property to the  
15 serviceman.

16 Beginning on July 1, 2000 and through December 31, 2000,  
17 with respect to motor fuel, as defined in Section 1.1 of the  
18 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
19 the Use Tax Act, the tax is imposed at the rate of 1.25%.

20 With respect to gasohol, as defined in the Use Tax Act, the  
21 tax imposed by this Act applies to (i) 70% of the selling price  
22 of property transferred as an incident to the sale of service  
23 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
24 of the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before  
2 December 31, 2018, and (iii) 100% of the selling price  
3 thereafter. If, at any time, however, the tax under this Act on  
4 sales of gasohol, as defined in the Use Tax Act, is imposed at  
5 the rate of 1.25%, then the tax imposed by this Act applies to  
6 100% of the proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, as defined  
8 in the Use Tax Act, the tax imposed by this Act does not apply  
9 to the selling price of property transferred as an incident to  
10 the sale of service on or after July 1, 2003 and on or before  
11 December 31, 2018 but applies to 100% of the selling price  
12 thereafter.

13 With respect to biodiesel blends, as defined in the Use Tax  
14 Act, with no less than 1% and no more than 10% biodiesel, the  
15 tax imposed by this Act applies to (i) 80% of the selling price  
16 of property transferred as an incident to the sale of service  
17 on or after July 1, 2003 and on or before December 31, 2018 and  
18 (ii) 100% of the proceeds of the selling price thereafter. If,  
19 at any time, however, the tax under this Act on sales of  
20 biodiesel blends, as defined in the Use Tax Act, with no less  
21 than 1% and no more than 10% biodiesel is imposed at the rate  
22 of 1.25%, then the tax imposed by this Act applies to 100% of  
23 the proceeds of sales of biodiesel blends with no less than 1%  
24 and no more than 10% biodiesel made during that time.

25 With respect to 100% biodiesel, as defined in the Use Tax  
26 Act, and biodiesel blends, as defined in the Use Tax Act, with

1 more than 10% but no more than 99% biodiesel, the tax imposed  
2 by this Act does not apply to the proceeds of the selling price  
3 of property transferred as an incident to the sale of service  
4 on or after July 1, 2003 and on or before December 31, 2018 but  
5 applies to 100% of the selling price thereafter.

6 At the election of any registered serviceman made for each  
7 fiscal year, sales of service in which the aggregate annual  
8 cost price of tangible personal property transferred as an  
9 incident to the sales of service is less than 35%, or 75% in  
10 the case of servicemen transferring prescription drugs or  
11 servicemen engaged in graphic arts production, of the aggregate  
12 annual total gross receipts from all sales of service, the tax  
13 imposed by this Act shall be based on the serviceman's cost  
14 price of the tangible personal property transferred as an  
15 incident to the sale of those services.

16 The tax shall be imposed at the rate of 1% on food prepared  
17 for immediate consumption and transferred incident to a sale of  
18 service subject to this Act or the Service Occupation Tax Act  
19 by an entity licensed under the Hospital Licensing Act, the  
20 Nursing Home Care Act, the ID/DD Community Care Act, the  
21 Specialized Mental Health Rehabilitation Act of 2013, or the  
22 Child Care Act of 1969. The tax shall also be imposed at the  
23 rate of 1% on food for human consumption that is to be consumed  
24 off the premises where it is sold (other than alcoholic  
25 beverages, soft drinks, and food that has been prepared for  
26 immediate consumption and is not otherwise included in this

1 paragraph) and prescription and nonprescription medicines,  
2 drugs, medical appliances, modifications to a motor vehicle for  
3 the purpose of rendering it usable by a disabled person, and  
4 insulin, urine testing materials, syringes, and needles used by  
5 diabetics, for human use. For the purposes of this Section,  
6 until September 1, 2009: the term "soft drinks" means any  
7 complete, finished, ready-to-use, non-alcoholic drink, whether  
8 carbonated or not, including but not limited to soda water,  
9 cola, fruit juice, vegetable juice, carbonated water, and all  
10 other preparations commonly known as soft drinks of whatever  
11 kind or description that are contained in any closed or sealed  
12 bottle, can, carton, or container, regardless of size; but  
13 "soft drinks" does not include coffee, tea, non-carbonated  
14 water, infant formula, milk or milk products as defined in the  
15 Grade A Pasteurized Milk and Milk Products Act, or drinks  
16 containing 50% or more natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act,  
18 beginning September 1, 2009, "soft drinks" means non-alcoholic  
19 beverages that contain natural or artificial sweeteners. "Soft  
20 drinks" do not include beverages that contain milk or milk  
21 products, soy, rice or similar milk substitutes, or greater  
22 than 50% of vegetable or fruit juice by volume.

23 Until August 1, 2009, and notwithstanding any other  
24 provisions of this Act, "food for human consumption that is to  
25 be consumed off the premises where it is sold" includes all  
26 food sold through a vending machine, except soft drinks and

1 food products that are dispensed hot from a vending machine,  
2 regardless of the location of the vending machine. Beginning  
3 August 1, 2009, and notwithstanding any other provisions of  
4 this Act, "food for human consumption that is to be consumed  
5 off the premises where it is sold" includes all food sold  
6 through a vending machine, except soft drinks, candy, and food  
7 products that are dispensed hot from a vending machine,  
8 regardless of the location of the vending machine.

9 Notwithstanding any other provisions of this Act,  
10 beginning September 1, 2009, "food for human consumption that  
11 is to be consumed off the premises where it is sold" does not  
12 include candy. For purposes of this Section, "candy" means a  
13 preparation of sugar, honey, or other natural or artificial  
14 sweeteners in combination with chocolate, fruits, nuts or other  
15 ingredients or flavorings in the form of bars, drops, or  
16 pieces. "Candy" does not include any preparation that contains  
17 flour or requires refrigeration.

18 Notwithstanding any other provisions of this Act,  
19 beginning September 1, 2009, "nonprescription medicines and  
20 drugs" does not include grooming and hygiene products. For  
21 purposes of this Section, "grooming and hygiene products"  
22 includes, but is not limited to, soaps and cleaning solutions,  
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
24 lotions and screens, unless those products are available by  
25 prescription only, regardless of whether the products meet the  
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human  
2 use that contains a label that identifies the product as a drug  
3 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
4 label includes:

5 (A) A "Drug Facts" panel; or

6 (B) A statement of the "active ingredient(s)" with a  
7 list of those ingredients contained in the compound,  
8 substance or preparation.

9 Beginning on January 1, 2014 (the effective date of Public  
10 Act 98-122), "prescription and nonprescription medicines and  
11 drugs" includes medical cannabis purchased from a registered  
12 dispensing organization under the Compassionate Use of Medical  
13 Cannabis Pilot Program Act.

14 If the property that is acquired from a serviceman is  
15 acquired outside Illinois and used outside Illinois before  
16 being brought to Illinois for use here and is taxable under  
17 this Act, the "selling price" on which the tax is computed  
18 shall be reduced by an amount that represents a reasonable  
19 allowance for depreciation for the period of prior out-of-state  
20 use.

21 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
22 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,  
23 eff. 7-16-14.)

24 (35 ILCS 110/3-70)

25 Sec. 3-70. Manufacturer's Purchase Credit. For purchases

1 of machinery and equipment made on and after January 1, 1995  
2 and through June 30, 2003, and on and after September 1, 2004  
3 through August 30, 2014, a purchaser of manufacturing machinery  
4 and equipment that qualifies for the exemption provided by  
5 Section 2 of this Act earns a credit in an amount equal to a  
6 fixed percentage of the tax which would have been incurred  
7 under this Act on those purchases. For purchases of graphic  
8 arts machinery and equipment made on or after July 1, 1996  
9 through June 30, 2003, and on and after September 1, 2004  
10 through August 30, 2014, a purchase of graphic arts machinery  
11 and equipment that qualifies for the exemption provided by  
12 paragraph (5) of Section 3-5 of this Act earns a credit in an  
13 amount equal to a fixed percentage of the tax that would have  
14 been incurred under this Act on those purchases. The credit  
15 earned for the purchase of manufacturing machinery and  
16 equipment and graphic arts machinery and equipment shall be  
17 referred to as the Manufacturer's Purchase Credit. A graphic  
18 arts producer is a person engaged in graphic arts production as  
19 defined in Section 3-30 of the Service Occupation Tax Act.  
20 Beginning July 1, 1996, all references in this Section to  
21 manufacturers or manufacturing shall also refer to graphic arts  
22 producers or graphic arts production.

23 The amount of credit shall be a percentage of the tax that  
24 would have been incurred on the purchase of the manufacturing  
25 machinery and equipment or graphic arts machinery and equipment  
26 if the exemptions provided by Section 2 or paragraph (5) of

1 Section 3-5 of this Act had not been applicable.

2 All purchases prior to October 1, 2003 of manufacturing  
3 machinery and equipment and graphic arts machinery and  
4 equipment that qualify for the exemptions provided by paragraph  
5 (5) of Section 2 or paragraph (5) of Section 3-5 of this Act  
6 qualify for the credit without regard to whether the serviceman  
7 elected, or could have elected, under paragraph (7) of Section  
8 2 of this Act to exclude the transaction from this Act. If the  
9 serviceman's billing to the service customer separately states  
10 a selling price for the exempt manufacturing machinery or  
11 equipment or the exempt graphic arts machinery and equipment,  
12 the credit shall be calculated, as otherwise provided herein,  
13 based on that selling price. If the serviceman's billing does  
14 not separately state a selling price for the exempt  
15 manufacturing machinery and equipment or the exempt graphic  
16 arts machinery and equipment, the credit shall be calculated,  
17 as otherwise provided herein, based on 50% of the entire  
18 billing. If the serviceman contracts to design, develop, and  
19 produce special order manufacturing machinery and equipment or  
20 special order graphic arts machinery and equipment, and the  
21 billing does not separately state a selling price for such  
22 special order machinery and equipment, the credit shall be  
23 calculated, as otherwise provided herein, based on 50% of the  
24 entire billing. The provisions of this paragraph are effective  
25 for purchases made on or after January 1, 1995.

26 The percentage shall be as follows:

1 (1) 15% for purchases made on or before June 30, 1995.

2 (2) 25% for purchases made after June 30, 1995, and on  
3 or before June 30, 1996.

4 (3) 40% for purchases made after June 30, 1996, and on  
5 or before June 30, 1997.

6 (4) 50% for purchases made on or after July 1, 1997.

7 (a) Manufacturer's Purchase Credit earned prior to July 1,  
8 2003. This subsection (a) applies to Manufacturer's Purchase  
9 Credit earned prior to July 1, 2003. A purchaser of production  
10 related tangible personal property desiring to use the  
11 Manufacturer's Purchase Credit shall certify to the seller  
12 prior to October 1, 2003 that the purchaser is satisfying all  
13 or part of the liability under the Use Tax Act or the Service  
14 Use Tax Act that is due on the purchase of the production  
15 related tangible personal property by use of a Manufacturer's  
16 Purchase Credit. The Manufacturer's Purchase Credit  
17 certification must be dated and shall include the name and  
18 address of the purchaser, the purchaser's registration number,  
19 if registered, the credit being applied, and a statement that  
20 the State Use Tax or Service Use Tax liability is being  
21 satisfied with the manufacturer's or graphic arts producer's  
22 accumulated purchase credit. Certification may be incorporated  
23 into the manufacturer's or graphic arts producer's purchase  
24 order. Manufacturer's Purchase Credit certification provided  
25 by the manufacturer or graphic arts producer prior to October  
26 1, 2003 may be used to satisfy the retailer's or serviceman's

1 liability under the Retailers' Occupation Tax Act or Service  
2 Occupation Tax Act for the credit claimed, not to exceed 7.25%  
3 ~~6.25%~~ of the receipts subject to tax from a qualifying  
4 purchase, but only if the retailer or serviceman reports the  
5 Manufacturer's Purchase Credit claimed as required by the  
6 Department. A Manufacturer's Purchase Credit reported on any  
7 original or amended return filed under this Act after October  
8 20, 2003 shall be disallowed. The Manufacturer's Purchase  
9 Credit earned by purchase of exempt manufacturing machinery and  
10 equipment or graphic arts machinery and equipment is a  
11 non-transferable credit. A manufacturer or graphic arts  
12 producer that enters into a contract involving the installation  
13 of tangible personal property into real estate within a  
14 manufacturing or graphic arts production facility, prior to  
15 October 1, 2003, may authorize a construction contractor to  
16 utilize credit accumulated by the manufacturer or graphic arts  
17 producer to purchase the tangible personal property. A  
18 manufacturer or graphic arts producer intending to use  
19 accumulated credit to purchase such tangible personal property  
20 shall execute a written contract authorizing the contractor to  
21 utilize a specified dollar amount of credit. The contractor  
22 shall furnish, prior to October 1, 2003, the supplier with the  
23 manufacturer's or graphic arts producer's name, registration  
24 or resale number, and a statement that a specific amount of the  
25 Use Tax or Service Use Tax liability, not to exceed 7.25% ~~6.25%~~  
26 of the selling price, is being satisfied with the credit. The

1 manufacturer or graphic arts producer shall remain liable to  
2 timely report all information required by the annual Report of  
3 Manufacturer's Purchase Credit Used for credit utilized by a  
4 construction contractor.

5 No Manufacturer's Purchase Credit earned prior to July 1,  
6 2003 may be used after October 1, 2003. The Manufacturer's  
7 Purchase Credit may be used to satisfy liability under the Use  
8 Tax Act or the Service Use Tax Act due on the purchase of  
9 production related tangible personal property (including  
10 purchases by a manufacturer, by a graphic arts producer, or a  
11 lessor who rents or leases the use of the property to a  
12 manufacturer or graphic arts producer) that does not otherwise  
13 qualify for the manufacturing machinery and equipment  
14 exemption or the graphic arts machinery and equipment  
15 exemption. "Production related tangible personal property"  
16 means (i) all tangible personal property used or consumed by  
17 the purchaser in a manufacturing facility in which a  
18 manufacturing process described in Section 2-45 of the  
19 Retailers' Occupation Tax Act takes place, including tangible  
20 personal property purchased for incorporation into real estate  
21 within a manufacturing facility and including, but not limited  
22 to, tangible personal property used or consumed in activities  
23 such as pre-production material handling, receiving, quality  
24 control, inventory control, storage, staging, and packaging  
25 for shipping and transportation purposes; (ii) all tangible  
26 personal property used or consumed by the purchaser in a

1 graphic arts facility in which graphic arts production as  
2 described in Section 2-30 of the Retailers' Occupation Tax Act  
3 takes place, including tangible personal property purchased  
4 for incorporation into real estate within a graphic arts  
5 facility and including, but not limited to, all tangible  
6 personal property used or consumed in activities such as  
7 graphic arts preliminary or pre-press production,  
8 pre-production material handling, receiving, quality control,  
9 inventory control, storage, staging, sorting, labeling,  
10 mailing, tying, wrapping, and packaging; and (iii) all tangible  
11 personal property used or consumed by the purchaser for  
12 research and development. "Production related tangible  
13 personal property" does not include (i) tangible personal  
14 property used, within or without a manufacturing or graphic  
15 arts facility, in sales, purchasing, accounting, fiscal  
16 management, marketing, personnel recruitment or selection, or  
17 landscaping or (ii) tangible personal property required to be  
18 titled or registered with a department, agency, or unit of  
19 federal, state, or local government. The Manufacturer's  
20 Purchase Credit may be used, prior to October 1, 2003, to  
21 satisfy the tax arising either from the purchase of machinery  
22 and equipment on or after January 1, 1995 for which the  
23 manufacturing machinery and equipment exemption provided by  
24 Section 2 of this Act was erroneously claimed, or the purchase  
25 of machinery and equipment on or after July 1, 1996 for which  
26 the exemption provided by paragraph (5) of Section 3-5 of this

1 Act was erroneously claimed, but not in satisfaction of  
2 penalty, if any, and interest for failure to pay the tax when  
3 due. A purchaser of production related tangible personal  
4 property who is required to pay Illinois Use Tax or Service Use  
5 Tax on the purchase directly to the Department may, prior to  
6 October 1, 2003, utilize the Manufacturer's Purchase Credit in  
7 satisfaction of the tax arising from that purchase, but not in  
8 satisfaction of penalty and interest. A purchaser who uses the  
9 Manufacturer's Purchase Credit to purchase property which is  
10 later determined not to be production related tangible personal  
11 property may be liable for tax, penalty, and interest on the  
12 purchase of that property as of the date of purchase but shall  
13 be entitled to use the disallowed Manufacturer's Purchase  
14 Credit, so long as it has not expired and is used prior to  
15 October 1, 2003, on qualifying purchases of production related  
16 tangible personal property not previously subject to credit  
17 usage. The Manufacturer's Purchase Credit earned by a  
18 manufacturer or graphic arts producer expires the last day of  
19 the second calendar year following the calendar year in which  
20 the credit arose. No Manufacturer's Purchase Credit may be used  
21 after September 30, 2003 regardless of when that credit was  
22 earned.

23 A purchaser earning Manufacturer's Purchase Credit shall  
24 sign and file an annual Report of Manufacturer's Purchase  
25 Credit Earned for each calendar year no later than the last day  
26 of the sixth month following the calendar year in which a

1 Manufacturer's Purchase Credit is earned. A Report of  
2 Manufacturer's Purchase Credit Earned shall be filed on forms  
3 as prescribed or approved by the Department and shall state,  
4 for each month of the calendar year: (i) the total purchase  
5 price of all purchases of exempt manufacturing or graphic arts  
6 machinery on which the credit was earned; (ii) the total State  
7 Use Tax or Service Use Tax which would have been due on those  
8 items; (iii) the percentage used to calculate the amount of  
9 credit earned; (iv) the amount of credit earned; and (v) such  
10 other information as the Department may reasonably require. A  
11 purchaser earning Manufacturer's Purchase Credit shall  
12 maintain records which identify, as to each purchase of  
13 manufacturing or graphic arts machinery and equipment on which  
14 the purchaser earned Manufacturer's Purchase Credit, the  
15 vendor (including, if applicable, either the vendor's  
16 registration number or Federal Employer Identification  
17 Number), the purchase price, and the amount of Manufacturer's  
18 Purchase Credit earned on each purchase.

19 A purchaser using Manufacturer's Purchase Credit shall  
20 sign and file an annual Report of Manufacturer's Purchase  
21 Credit Used for each calendar year no later than the last day  
22 of the sixth month following the calendar year in which a  
23 Manufacturer's Purchase Credit is used. A Report of  
24 Manufacturer's Purchase Credit Used shall be filed on forms as  
25 prescribed or approved by the Department and shall state, for  
26 each month of the calendar year: (i) the total purchase price

1 of production related tangible personal property purchased  
2 from Illinois suppliers; (ii) the total purchase price of  
3 production related tangible personal property purchased from  
4 out-of-state suppliers; (iii) the total amount of credit used  
5 during such month; and (iv) such other information as the  
6 Department may reasonably require. A purchaser using  
7 Manufacturer's Purchase Credit shall maintain records that  
8 identify, as to each purchase of production related tangible  
9 personal property on which the purchaser used Manufacturer's  
10 Purchase Credit, the vendor (including, if applicable, either  
11 the vendor's registration number or Federal Employer  
12 Identification Number), the purchase price, and the amount of  
13 Manufacturer's Purchase Credit used on each purchase.

14 No annual report shall be filed before May 1, 1996 or after  
15 June 30, 2004. A purchaser that fails to file an annual Report  
16 of Manufacturer's Purchase Credit Earned or an annual Report of  
17 Manufacturer's Purchase Credit Used by the last day of the  
18 sixth month following the end of the calendar year shall  
19 forfeit all Manufacturer's Purchase Credit for that calendar  
20 year unless it establishes that its failure to file was due to  
21 reasonable cause. Manufacturer's Purchase Credit reports may  
22 be amended to report and claim credit on qualifying purchases  
23 not previously reported at any time before the credit would  
24 have expired, unless both the Department and the purchaser have  
25 agreed to an extension of the statute of limitations for the  
26 issuance of a notice of tax liability as provided in Section 4

1 of the Retailers' Occupation Tax Act. If the time for  
2 assessment or refund has been extended, then amended reports  
3 for a calendar year may be filed at any time prior to the date  
4 to which the statute of limitations for the calendar year or  
5 portion thereof has been extended. No Manufacturer's Purchase  
6 Credit report filed with the Department for periods prior to  
7 January 1, 1995 shall be approved. Manufacturer's Purchase  
8 Credit claimed on an amended report may be used, prior to  
9 October 1, 2003, to satisfy tax liability under the Use Tax Act  
10 or the Service Use Tax Act (i) on qualifying purchases of  
11 production related tangible personal property made after the  
12 date the amended report is filed or (ii) assessed by the  
13 Department on qualifying purchases of production related  
14 tangible personal property made in the case of manufacturers on  
15 or after January 1, 1995, or in the case of graphic arts  
16 producers on or after July 1, 1996.

17 If the purchaser is not the manufacturer or a graphic arts  
18 producer, but rents or leases the use of the property to a  
19 manufacturer or a graphic arts producer, the purchaser may  
20 earn, report, and use Manufacturer's Purchase Credit in the  
21 same manner as a manufacturer or graphic arts producer.

22 A purchaser shall not be entitled to any Manufacturer's  
23 Purchase Credit for a purchase that is required to be reported  
24 and is not timely reported as provided in this Section. A  
25 purchaser remains liable for (i) any tax that was satisfied by  
26 use of a Manufacturer's Purchase Credit, as of the date of

1 purchase, if that use is not timely reported as required in  
2 this Section and (ii) for any applicable penalties and interest  
3 for failing to pay the tax when due. No Manufacturer's Purchase  
4 Credit may be used after September 30, 2003 to satisfy any tax  
5 liability imposed under this Act, including any audit  
6 liability.

7 (b) Manufacturer's Purchase Credit earned on and after  
8 September 1, 2004. This subsection (b) applies to  
9 Manufacturer's Purchase Credit earned on or after September 1,  
10 2004. Manufacturer's Purchase Credit earned on or after  
11 September 1, 2004 may only be used to satisfy the Use Tax or  
12 Service Use Tax liability incurred on production related  
13 tangible personal property purchased on or after September 1,  
14 2004. A purchaser of production related tangible personal  
15 property desiring to use the Manufacturer's Purchase Credit  
16 shall certify to the seller that the purchaser is satisfying  
17 all or part of the liability under the Use Tax Act or the  
18 Service Use Tax Act that is due on the purchase of the  
19 production related tangible personal property by use of a  
20 Manufacturer's Purchase Credit. The Manufacturer's Purchase  
21 Credit certification must be dated and shall include the name  
22 and address of the purchaser, the purchaser's registration  
23 number, if registered, the credit being applied, and a  
24 statement that the State Use Tax or Service Use Tax liability  
25 is being satisfied with the manufacturer's or graphic arts  
26 producer's accumulated purchase credit. Certification may be

1 incorporated into the manufacturer's or graphic arts  
2 producer's purchase order. Manufacturer's Purchase Credit  
3 certification provided by the manufacturer or graphic arts  
4 producer may be used to satisfy the retailer's or serviceman's  
5 liability under the Retailers' Occupation Tax Act or Service  
6 Occupation Tax Act for the credit claimed, not to exceed 7.25%  
7 ~~6.25%~~ of the receipts subject to tax from a qualifying  
8 purchase, but only if the retailer or serviceman reports the  
9 Manufacturer's Purchase Credit claimed as required by the  
10 Department. The Manufacturer's Purchase Credit earned by  
11 purchase of exempt manufacturing machinery and equipment or  
12 graphic arts machinery and equipment is a non-transferable  
13 credit. A manufacturer or graphic arts producer that enters  
14 into a contract involving the installation of tangible personal  
15 property into real estate within a manufacturing or graphic  
16 arts production facility may, on or after September 1, 2004,  
17 authorize a construction contractor to utilize credit  
18 accumulated by the manufacturer or graphic arts producer to  
19 purchase the tangible personal property. A manufacturer or  
20 graphic arts producer intending to use accumulated credit to  
21 purchase such tangible personal property shall execute a  
22 written contract authorizing the contractor to utilize a  
23 specified dollar amount of credit. The contractor shall furnish  
24 the supplier with the manufacturer's or graphic arts producer's  
25 name, registration or resale number, and a statement that a  
26 specific amount of the Use Tax or Service Use Tax liability,

1 not to exceed 7.25% ~~6.25%~~ of the selling price, is being  
2 satisfied with the credit. The manufacturer or graphic arts  
3 producer shall remain liable to timely report all information  
4 required by the annual Report of Manufacturer's Purchase Credit  
5 Used for credit utilized by a construction contractor.

6 The Manufacturer's Purchase Credit may be used to satisfy  
7 liability under the Use Tax Act or the Service Use Tax Act due  
8 on the purchase, made on or after September 1, 2004, of  
9 production related tangible personal property (including  
10 purchases by a manufacturer, by a graphic arts producer, or a  
11 lessor who rents or leases the use of the property to a  
12 manufacturer or graphic arts producer) that does not otherwise  
13 qualify for the manufacturing machinery and equipment  
14 exemption or the graphic arts machinery and equipment  
15 exemption. "Production related tangible personal property"  
16 means (i) all tangible personal property used or consumed by  
17 the purchaser in a manufacturing facility in which a  
18 manufacturing process described in Section 2-45 of the  
19 Retailers' Occupation Tax Act takes place, including tangible  
20 personal property purchased for incorporation into real estate  
21 within a manufacturing facility and including, but not limited  
22 to, tangible personal property used or consumed in activities  
23 such as pre-production material handling, receiving, quality  
24 control, inventory control, storage, staging, and packaging  
25 for shipping and transportation purposes; (ii) all tangible  
26 personal property used or consumed by the purchaser in a

1 graphic arts facility in which graphic arts production as  
2 described in Section 2-30 of the Retailers' Occupation Tax Act  
3 takes place, including tangible personal property purchased  
4 for incorporation into real estate within a graphic arts  
5 facility and including, but not limited to, all tangible  
6 personal property used or consumed in activities such as  
7 graphic arts preliminary or pre-press production,  
8 pre-production material handling, receiving, quality control,  
9 inventory control, storage, staging, sorting, labeling,  
10 mailing, tying, wrapping, and packaging; and (iii) all tangible  
11 personal property used or consumed by the purchaser for  
12 research and development. "Production related tangible  
13 personal property" does not include (i) tangible personal  
14 property used, within or without a manufacturing or graphic  
15 arts facility, in sales, purchasing, accounting, fiscal  
16 management, marketing, personnel recruitment or selection, or  
17 landscaping or (ii) tangible personal property required to be  
18 titled or registered with a department, agency, or unit of  
19 federal, state, or local government. The Manufacturer's  
20 Purchase Credit may be used to satisfy the tax arising either  
21 from the purchase of machinery and equipment on or after  
22 September 1, 2004 for which the manufacturing machinery and  
23 equipment exemption provided by Section 2 of this Act was  
24 erroneously claimed, or the purchase of machinery and equipment  
25 on or after September 1, 2004 for which the exemption provided  
26 by paragraph (5) of Section 3-5 of this Act was erroneously

1 claimed, but not in satisfaction of penalty, if any, and  
2 interest for failure to pay the tax when due. A purchaser of  
3 production related tangible personal property that is  
4 purchased on or after September 1, 2004 who is required to pay  
5 Illinois Use Tax or Service Use Tax on the purchase directly to  
6 the Department may utilize the Manufacturer's Purchase Credit  
7 in satisfaction of the tax arising from that purchase, but not  
8 in satisfaction of penalty and interest. A purchaser who uses  
9 the Manufacturer's Purchase Credit to purchase property on and  
10 after September 1, 2004 which is later determined not to be  
11 production related tangible personal property may be liable for  
12 tax, penalty, and interest on the purchase of that property as  
13 of the date of purchase but shall be entitled to use the  
14 disallowed Manufacturer's Purchase Credit, so long as it has  
15 not expired, on qualifying purchases of production related  
16 tangible personal property not previously subject to credit  
17 usage. The Manufacturer's Purchase Credit earned by a  
18 manufacturer or graphic arts producer expires the last day of  
19 the second calendar year following the calendar year in which  
20 the credit arose.

21 A purchaser earning Manufacturer's Purchase Credit shall  
22 sign and file an annual Report of Manufacturer's Purchase  
23 Credit Earned for each calendar year no later than the last day  
24 of the sixth month following the calendar year in which a  
25 Manufacturer's Purchase Credit is earned. A Report of  
26 Manufacturer's Purchase Credit Earned shall be filed on forms

1 as prescribed or approved by the Department and shall state,  
2 for each month of the calendar year: (i) the total purchase  
3 price of all purchases of exempt manufacturing or graphic arts  
4 machinery on which the credit was earned; (ii) the total State  
5 Use Tax or Service Use Tax which would have been due on those  
6 items; (iii) the percentage used to calculate the amount of  
7 credit earned; (iv) the amount of credit earned; and (v) such  
8 other information as the Department may reasonably require. A  
9 purchaser earning Manufacturer's Purchase Credit shall  
10 maintain records which identify, as to each purchase of  
11 manufacturing or graphic arts machinery and equipment on which  
12 the purchaser earned Manufacturer's Purchase Credit, the  
13 vendor (including, if applicable, either the vendor's  
14 registration number or Federal Employer Identification  
15 Number), the purchase price, and the amount of Manufacturer's  
16 Purchase Credit earned on each purchase.

17 A purchaser using Manufacturer's Purchase Credit shall  
18 sign and file an annual Report of Manufacturer's Purchase  
19 Credit Used for each calendar year no later than the last day  
20 of the sixth month following the calendar year in which a  
21 Manufacturer's Purchase Credit is used. A Report of  
22 Manufacturer's Purchase Credit Used shall be filed on forms as  
23 prescribed or approved by the Department and shall state, for  
24 each month of the calendar year: (i) the total purchase price  
25 of production related tangible personal property purchased  
26 from Illinois suppliers; (ii) the total purchase price of

1 production related tangible personal property purchased from  
2 out-of-state suppliers; (iii) the total amount of credit used  
3 during such month; and (iv) such other information as the  
4 Department may reasonably require. A purchaser using  
5 Manufacturer's Purchase Credit shall maintain records that  
6 identify, as to each purchase of production related tangible  
7 personal property on which the purchaser used Manufacturer's  
8 Purchase Credit, the vendor (including, if applicable, either  
9 the vendor's registration number or Federal Employer  
10 Identification Number), the purchase price, and the amount of  
11 Manufacturer's Purchase Credit used on each purchase.

12 A purchaser that fails to file an annual Report of  
13 Manufacturer's Purchase Credit Earned or an annual Report of  
14 Manufacturer's Purchase Credit Used by the last day of the  
15 sixth month following the end of the calendar year shall  
16 forfeit all Manufacturer's Purchase Credit for that calendar  
17 year unless it establishes that its failure to file was due to  
18 reasonable cause. Manufacturer's Purchase Credit reports may  
19 be amended to report and claim credit on qualifying purchases  
20 not previously reported at any time before the credit would  
21 have expired, unless both the Department and the purchaser have  
22 agreed to an extension of the statute of limitations for the  
23 issuance of a notice of tax liability as provided in Section 4  
24 of the Retailers' Occupation Tax Act. If the time for  
25 assessment or refund has been extended, then amended reports  
26 for a calendar year may be filed at any time prior to the date

1 to which the statute of limitations for the calendar year or  
2 portion thereof has been extended. Manufacturer's Purchase  
3 Credit claimed on an amended report may be used to satisfy tax  
4 liability under the Use Tax Act or the Service Use Tax Act (i)  
5 on qualifying purchases of production related tangible  
6 personal property made after the date the amended report is  
7 filed or (ii) assessed by the Department on qualifying  
8 production related tangible personal property purchased on or  
9 after September 1, 2004.

10 If the purchaser is not the manufacturer or a graphic arts  
11 producer, but rents or leases the use of the property to a  
12 manufacturer or a graphic arts producer, the purchaser may  
13 earn, report, and use Manufacturer's Purchase Credit in the  
14 same manner as a manufacturer or graphic arts producer. A  
15 purchaser shall not be entitled to any Manufacturer's Purchase  
16 Credit for a purchase that is required to be reported and is  
17 not timely reported as provided in this Section. A purchaser  
18 remains liable for (i) any tax that was satisfied by use of a  
19 Manufacturer's Purchase Credit, as of the date of purchase, if  
20 that use is not timely reported as required in this Section and  
21 (ii) for any applicable penalties and interest for failing to  
22 pay the tax when due.

23 (Source: P.A. 96-116, eff. 7-31-09.)

24 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

25 Sec. 9. Each serviceman required or authorized to collect

1 the tax herein imposed shall pay to the Department the amount  
2 of such tax (except as otherwise provided) at the time when he  
3 is required to file his return for the period during which such  
4 tax was collected, less a discount of 2.1% prior to January 1,  
5 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
6 year, whichever is greater, which is allowed to reimburse the  
7 serviceman for expenses incurred in collecting the tax, keeping  
8 records, preparing and filing returns, remitting the tax and  
9 supplying data to the Department on request. The Department may  
10 disallow the discount for servicemen whose certificate of  
11 registration is revoked at the time the return is filed, but  
12 only if the Department's decision to revoke the certificate of  
13 registration has become final. A serviceman need not remit that  
14 part of any tax collected by him to the extent that he is  
15 required to pay and does pay the tax imposed by the Service  
16 Occupation Tax Act with respect to his sale of service  
17 involving the incidental transfer by him of the same property.

18 Except as provided hereinafter in this Section, on or  
19 before the twentieth day of each calendar month, such  
20 serviceman shall file a return for the preceding calendar month  
21 in accordance with reasonable Rules and Regulations to be  
22 promulgated by the Department. Such return shall be filed on a  
23 form prescribed by the Department and shall contain such  
24 information as the Department may reasonably require.

25 The Department may require returns to be filed on a  
26 quarterly basis. If so required, a return for each calendar

1 quarter shall be filed on or before the twentieth day of the  
2 calendar month following the end of such calendar quarter. The  
3 taxpayer shall also file a return with the Department for each  
4 of the first two months of each calendar quarter, on or before  
5 the twentieth day of the following calendar month, stating:

6 1. The name of the seller;

7 2. The address of the principal place of business from  
8 which he engages in business as a serviceman in this State;

9 3. The total amount of taxable receipts received by him  
10 during the preceding calendar month, including receipts  
11 from charge and time sales, but less all deductions allowed  
12 by law;

13 4. The amount of credit provided in Section 2d of this  
14 Act;

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

17 6. Such other reasonable information as the Department  
18 may require.

19 If a taxpayer fails to sign a return within 30 days after  
20 the proper notice and demand for signature by the Department,  
21 the return shall be considered valid and any amount shown to be  
22 due on the return shall be deemed assessed.

23 Beginning October 1, 1993, a taxpayer who has an average  
24 monthly tax liability of \$150,000 or more shall make all  
25 payments required by rules of the Department by electronic  
26 funds transfer. Beginning October 1, 1994, a taxpayer who has

1 an average monthly tax liability of \$100,000 or more shall make  
2 all payments required by rules of the Department by electronic  
3 funds transfer. Beginning October 1, 1995, a taxpayer who has  
4 an average monthly tax liability of \$50,000 or more shall make  
5 all payments required by rules of the Department by electronic  
6 funds transfer. Beginning October 1, 2000, a taxpayer who has  
7 an annual tax liability of \$200,000 or more shall make all  
8 payments required by rules of the Department by electronic  
9 funds transfer. The term "annual tax liability" shall be the  
10 sum of the taxpayer's liabilities under this Act, and under all  
11 other State and local occupation and use tax laws administered  
12 by the Department, for the immediately preceding calendar year.  
13 The term "average monthly tax liability" means the sum of the  
14 taxpayer's liabilities under this Act, and under all other  
15 State and local occupation and use tax laws administered by the  
16 Department, for the immediately preceding calendar year  
17 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
18 a tax liability in the amount set forth in subsection (b) of  
19 Section 2505-210 of the Department of Revenue Law shall make  
20 all payments required by rules of the Department by electronic  
21 funds transfer.

22 Before August 1 of each year beginning in 1993, the  
23 Department shall notify all taxpayers required to make payments  
24 by electronic funds transfer. All taxpayers required to make  
25 payments by electronic funds transfer shall make those payments  
26 for a minimum of one year beginning on October 1.

1 Any taxpayer not required to make payments by electronic  
2 funds transfer may make payments by electronic funds transfer  
3 with the permission of the Department.

4 All taxpayers required to make payment by electronic funds  
5 transfer and any taxpayers authorized to voluntarily make  
6 payments by electronic funds transfer shall make those payments  
7 in the manner authorized by the Department.

8 The Department shall adopt such rules as are necessary to  
9 effectuate a program of electronic funds transfer and the  
10 requirements of this Section.

11 If the serviceman is otherwise required to file a monthly  
12 return and if the serviceman's average monthly tax liability to  
13 the Department does not exceed \$200, the Department may  
14 authorize his returns to be filed on a quarter annual basis,  
15 with the return for January, February and March of a given year  
16 being due by April 20 of such year; with the return for April,  
17 May and June of a given year being due by July 20 of such year;  
18 with the return for July, August and September of a given year  
19 being due by October 20 of such year, and with the return for  
20 October, November and December of a given year being due by  
21 January 20 of the following year.

22 If the serviceman is otherwise required to file a monthly  
23 or quarterly return and if the serviceman's average monthly tax  
24 liability to the Department does not exceed \$50, the Department  
25 may authorize his returns to be filed on an annual basis, with  
26 the return for a given year being due by January 20 of the

1 following year.

2 Such quarter annual and annual returns, as to form and  
3 substance, shall be subject to the same requirements as monthly  
4 returns.

5 Notwithstanding any other provision in this Act concerning  
6 the time within which a serviceman may file his return, in the  
7 case of any serviceman who ceases to engage in a kind of  
8 business which makes him responsible for filing returns under  
9 this Act, such serviceman shall file a final return under this  
10 Act with the Department not more than 1 month after  
11 discontinuing such business.

12 Where a serviceman collects the tax with respect to the  
13 selling price of property which he sells and the purchaser  
14 thereafter returns such property and the serviceman refunds the  
15 selling price thereof to the purchaser, such serviceman shall  
16 also refund, to the purchaser, the tax so collected from the  
17 purchaser. When filing his return for the period in which he  
18 refunds such tax to the purchaser, the serviceman may deduct  
19 the amount of the tax so refunded by him to the purchaser from  
20 any other Service Use Tax, Service Occupation Tax, retailers'  
21 occupation tax or use tax which such serviceman may be required  
22 to pay or remit to the Department, as shown by such return,  
23 provided that the amount of the tax to be deducted shall  
24 previously have been remitted to the Department by such  
25 serviceman. If the serviceman shall not previously have  
26 remitted the amount of such tax to the Department, he shall be

1 entitled to no deduction hereunder upon refunding such tax to  
2 the purchaser.

3 Any serviceman filing a return hereunder shall also include  
4 the total tax upon the selling price of tangible personal  
5 property purchased for use by him as an incident to a sale of  
6 service, and such serviceman shall remit the amount of such tax  
7 to the Department when filing such return.

8 If experience indicates such action to be practicable, the  
9 Department may prescribe and furnish a combination or joint  
10 return which will enable servicemen, who are required to file  
11 returns hereunder and also under the Service Occupation Tax  
12 Act, to furnish all the return information required by both  
13 Acts on the one form.

14 Where the serviceman has more than one business registered  
15 with the Department under separate registration hereunder,  
16 such serviceman shall not file each return that is due as a  
17 single return covering all such registered businesses, but  
18 shall file separate returns for each such registered business.

19 Beginning January 1, 1990, each month the Department shall  
20 pay into the State and Local Tax Reform Fund, a special fund in  
21 the State Treasury, the net revenue realized for the preceding  
22 month from the 1% tax on sales of food for human consumption  
23 which is to be consumed off the premises where it is sold  
24 (other than alcoholic beverages, soft drinks and food which has  
25 been prepared for immediate consumption) and prescription and  
26 nonprescription medicines, drugs, medical appliances and

1 insulin, urine testing materials, syringes and needles used by  
2 diabetics.

3 Beginning January 1, 1990, each month the Department shall  
4 pay into the State and Local Sales Tax Reform Fund 20% of the  
5 net revenue realized for the preceding month from the 7.25%  
6 ~~6.25%~~ general rate on transfers of tangible personal property,  
7 other than tangible personal property which is purchased  
8 outside Illinois at retail from a retailer and which is titled  
9 or registered by an agency of this State's government.

10 Beginning August 1, 2000, each month the Department shall  
11 pay into the State and Local Sales Tax Reform Fund 100% of the  
12 net revenue realized for the preceding month from the 1.25%  
13 rate on the selling price of motor fuel and gasohol.

14 Beginning October 1, 2009, each month the Department shall  
15 pay into the Capital Projects Fund an amount that is equal to  
16 an amount estimated by the Department to represent 80% of the  
17 net revenue realized for the preceding month from the sale of  
18 candy, grooming and hygiene products, and soft drinks that had  
19 been taxed at a rate of 1% prior to September 1, 2009 but that  
20 are now taxed at 7.25% ~~6.25%~~.

21 Beginning August 1, 2015, each month the Department shall  
22 pay into the School Infrastructure Support Fund 13% of the net  
23 revenue realized for the preceding month from the 7.25% general  
24 rate on transfers of tangible personal property, other than (i)  
25 candy, (ii) grooming and hygiene products, and (iii) soft  
26 drinks.

1           Beginning July 1, 2013, each month the Department shall pay  
2 into the Underground Storage Tank Fund from the proceeds  
3 collected under this Act, the Use Tax Act, the Service  
4 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
5 amount equal to the average monthly deficit in the Underground  
6 Storage Tank Fund during the prior year, as certified annually  
7 by the Illinois Environmental Protection Agency, but the total  
8 payment into the Underground Storage Tank Fund under this Act,  
9 the Use Tax Act, the Service Occupation Tax Act, and the  
10 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
11 any State fiscal year. As used in this paragraph, the "average  
12 monthly deficit" shall be equal to the difference between the  
13 average monthly claims for payment by the fund and the average  
14 monthly revenues deposited into the fund, excluding payments  
15 made pursuant to this paragraph.

16           Of the remainder of the moneys received by the Department  
17 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
18 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
19 and after July 1, 1989, 3.8% thereof shall be paid into the  
20 Build Illinois Fund; provided, however, that if in any fiscal  
21 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
22 may be, of the moneys received by the Department and required  
23 to be paid into the Build Illinois Fund pursuant to Section 3  
24 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
25 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
26 Service Occupation Tax Act, such Acts being hereinafter called

1 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
2 may be, of moneys being hereinafter called the "Tax Act  
3 Amount", and (2) the amount transferred to the Build Illinois  
4 Fund from the State and Local Sales Tax Reform Fund shall be  
5 less than the Annual Specified Amount (as defined in Section 3  
6 of the Retailers' Occupation Tax Act), an amount equal to the  
7 difference shall be immediately paid into the Build Illinois  
8 Fund from other moneys received by the Department pursuant to  
9 the Tax Acts; and further provided, that if on the last  
10 business day of any month the sum of (1) the Tax Act Amount  
11 required to be deposited into the Build Illinois Bond Account  
12 in the Build Illinois Fund during such month and (2) the amount  
13 transferred during such month to the Build Illinois Fund from  
14 the State and Local Sales Tax Reform Fund shall have been less  
15 than 1/12 of the Annual Specified Amount, an amount equal to  
16 the difference shall be immediately paid into the Build  
17 Illinois Fund from other moneys received by the Department  
18 pursuant to the Tax Acts; and, further provided, that in no  
19 event shall the payments required under the preceding proviso  
20 result in aggregate payments into the Build Illinois Fund  
21 pursuant to this clause (b) for any fiscal year in excess of  
22 the greater of (i) the Tax Act Amount or (ii) the Annual  
23 Specified Amount for such fiscal year; and, further provided,  
24 that the amounts payable into the Build Illinois Fund under  
25 this clause (b) shall be payable only until such time as the  
26 aggregate amount on deposit under each trust indenture securing

1 Bonds issued and outstanding pursuant to the Build Illinois  
2 Bond Act is sufficient, taking into account any future  
3 investment income, to fully provide, in accordance with such  
4 indenture, for the defeasance of or the payment of the  
5 principal of, premium, if any, and interest on the Bonds  
6 secured by such indenture and on any Bonds expected to be  
7 issued thereafter and all fees and costs payable with respect  
8 thereto, all as certified by the Director of the Bureau of the  
9 Budget (now Governor's Office of Management and Budget). If on  
10 the last business day of any month in which Bonds are  
11 outstanding pursuant to the Build Illinois Bond Act, the  
12 aggregate of the moneys deposited in the Build Illinois Bond  
13 Account in the Build Illinois Fund in such month shall be less  
14 than the amount required to be transferred in such month from  
15 the Build Illinois Bond Account to the Build Illinois Bond  
16 Retirement and Interest Fund pursuant to Section 13 of the  
17 Build Illinois Bond Act, an amount equal to such deficiency  
18 shall be immediately paid from other moneys received by the  
19 Department pursuant to the Tax Acts to the Build Illinois Fund;  
20 provided, however, that any amounts paid to the Build Illinois  
21 Fund in any fiscal year pursuant to this sentence shall be  
22 deemed to constitute payments pursuant to clause (b) of the  
23 preceding sentence and shall reduce the amount otherwise  
24 payable for such fiscal year pursuant to clause (b) of the  
25 preceding sentence. The moneys received by the Department  
26 pursuant to this Act and required to be deposited into the

1 Build Illinois Fund are subject to the pledge, claim and charge  
 2 set forth in Section 12 of the Build Illinois Bond Act.

3 Subject to payment of amounts into the Build Illinois Fund  
 4 as provided in the preceding paragraph or in any amendment  
 5 thereto hereafter enacted, the following specified monthly  
 6 installment of the amount requested in the certificate of the  
 7 Chairman of the Metropolitan Pier and Exposition Authority  
 8 provided under Section 8.25f of the State Finance Act, but not  
 9 in excess of the sums designated as "Total Deposit", shall be  
 10 deposited in the aggregate from collections under Section 9 of  
 11 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 12 9 of the Service Occupation Tax Act, and Section 3 of the  
 13 Retailers' Occupation Tax Act into the McCormick Place  
 14 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
15		
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

13 Beginning July 20, 1993 and in each month of each fiscal  
14 year thereafter, one-eighth of the amount requested in the  
15 certificate of the Chairman of the Metropolitan Pier and  
16 Exposition Authority for that fiscal year, less the amount  
17 deposited into the McCormick Place Expansion Project Fund by  
18 the State Treasurer in the respective month under subsection  
19 (g) of Section 13 of the Metropolitan Pier and Exposition  
20 Authority Act, plus cumulative deficiencies in the deposits  
21 required under this Section for previous months and years,  
22 shall be deposited into the McCormick Place Expansion Project  
23 Fund, until the full amount requested for the fiscal year, but  
24 not in excess of the amount specified above as "Total Deposit",  
25 has been deposited.

26 Subject to payment of amounts into the Build Illinois Fund

1 and the McCormick Place Expansion Project Fund pursuant to the  
2 preceding paragraphs or in any amendments thereto hereafter  
3 enacted, beginning July 1, 1993 and ending on September 30,  
4 2013, the Department shall each month pay into the Illinois Tax  
5 Increment Fund 0.27% of 67% ~~80%~~ of the net revenue realized for  
6 the preceding month from the 7.25% ~~6.25%~~ general rate on the  
7 selling price of tangible personal property.

8 Subject to payment of amounts into the Build Illinois Fund  
9 and the McCormick Place Expansion Project Fund pursuant to the  
10 preceding paragraphs or in any amendments thereto hereafter  
11 enacted, beginning with the receipt of the first report of  
12 taxes paid by an eligible business and continuing for a 25-year  
13 period, the Department shall each month pay into the Energy  
14 Infrastructure Fund 67% ~~80%~~ of the net revenue realized from  
15 the 6.25% general rate on the selling price of Illinois-mined  
16 coal that was sold to an eligible business. For purposes of  
17 this paragraph, the term "eligible business" means a new  
18 electric generating facility certified pursuant to Section  
19 605-332 of the Department of Commerce and Economic Opportunity  
20 Law of the Civil Administrative Code of Illinois.

21 Subject to payment of amounts into the Build Illinois Fund,  
22 the McCormick Place Expansion Project Fund, the Illinois Tax  
23 Increment Fund, and the Energy Infrastructure Fund pursuant to  
24 the preceding paragraphs or in any amendments to this Section  
25 hereafter enacted, beginning on the first day of the first  
26 calendar month to occur on or after the effective date of this

1 amendatory Act of the 98th General Assembly, each month, from  
2 the collections made under Section 9 of the Use Tax Act,  
3 Section 9 of the Service Use Tax Act, Section 9 of the Service  
4 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
5 Tax Act, the Department shall pay into the Tax Compliance and  
6 Administration Fund, to be used, subject to appropriation, to  
7 fund additional auditors and compliance personnel at the  
8 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
9 the cash receipts collected during the preceding fiscal year by  
10 the Audit Bureau of the Department under the Use Tax Act, the  
11 Service Use Tax Act, the Service Occupation Tax Act, the  
12 Retailers' Occupation Tax Act, and associated local occupation  
13 and use taxes administered by the Department.

14 Of the remainder of the moneys received by the Department  
15 pursuant to this Act, 75% thereof shall be paid into the  
16 General Revenue Fund of the State Treasury and 25% shall be  
17 reserved in a special account and used only for the transfer to  
18 the Common School Fund as part of the monthly transfer from the  
19 General Revenue Fund in accordance with Section 8a of the State  
20 Finance Act.

21 As soon as possible after the first day of each month, upon  
22 certification of the Department of Revenue, the Comptroller  
23 shall order transferred and the Treasurer shall transfer from  
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25 equal to 1.7% of 80% of the net revenue realized under this Act  
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

2 Net revenue realized for a month shall be the revenue  
3 collected by the State pursuant to this Act, less the amount  
4 paid out during that month as refunds to taxpayers for  
5 overpayment of liability.

6 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
7 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;  
8 98-1098, eff. 8-26-14.)

9 Section 30. The Service Occupation Tax Act is amended by  
10 changing Sections 3-10 and 9 as follows:

11 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

12 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
13 Section, the tax imposed by this Act is at the rate of 7.25%  
14 ~~6.25%~~ of the "selling price", as defined in Section 2 of the  
15 Service Use Tax Act, of the tangible personal property. For the  
16 purpose of computing this tax, in no event shall the "selling  
17 price" be less than the cost price to the serviceman of the  
18 tangible personal property transferred. The selling price of  
19 each item of tangible personal property transferred as an  
20 incident of a sale of service may be shown as a distinct and  
21 separate item on the serviceman's billing to the service  
22 customer. If the selling price is not so shown, the selling  
23 price of the tangible personal property is deemed to be 50% of  
24 the serviceman's entire billing to the service customer. When,

1 however, a serviceman contracts to design, develop, and produce  
2 special order machinery or equipment, the tax imposed by this  
3 Act shall be based on the serviceman's cost price of the  
4 tangible personal property transferred incident to the  
5 completion of the contract.

6 Beginning on July 1, 2000 and through December 31, 2000,  
7 with respect to motor fuel, as defined in Section 1.1 of the  
8 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
9 the Use Tax Act, the tax is imposed at the rate of 1.25%.

10 With respect to gasohol, as defined in the Use Tax Act, the  
11 tax imposed by this Act shall apply to (i) 70% of the cost  
12 price of property transferred as an incident to the sale of  
13 service on or after January 1, 1990, and before July 1, 2003,  
14 (ii) 80% of the selling price of property transferred as an  
15 incident to the sale of service on or after July 1, 2003 and on  
16 or before December 31, 2018, and (iii) 100% of the cost price  
17 thereafter. If, at any time, however, the tax under this Act on  
18 sales of gasohol, as defined in the Use Tax Act, is imposed at  
19 the rate of 1.25%, then the tax imposed by this Act applies to  
20 100% of the proceeds of sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, as defined  
22 in the Use Tax Act, the tax imposed by this Act does not apply  
23 to the selling price of property transferred as an incident to  
24 the sale of service on or after July 1, 2003 and on or before  
25 December 31, 2018 but applies to 100% of the selling price  
26 thereafter.

1           With respect to biodiesel blends, as defined in the Use Tax  
2 Act, with no less than 1% and no more than 10% biodiesel, the  
3 tax imposed by this Act applies to (i) 80% of the selling price  
4 of property transferred as an incident to the sale of service  
5 on or after July 1, 2003 and on or before December 31, 2018 and  
6 (ii) 100% of the proceeds of the selling price thereafter. If,  
7 at any time, however, the tax under this Act on sales of  
8 biodiesel blends, as defined in the Use Tax Act, with no less  
9 than 1% and no more than 10% biodiesel is imposed at the rate  
10 of 1.25%, then the tax imposed by this Act applies to 100% of  
11 the proceeds of sales of biodiesel blends with no less than 1%  
12 and no more than 10% biodiesel made during that time.

13           With respect to 100% biodiesel, as defined in the Use Tax  
14 Act, and biodiesel blends, as defined in the Use Tax Act, with  
15 more than 10% but no more than 99% biodiesel material, the tax  
16 imposed by this Act does not apply to the proceeds of the  
17 selling price of property transferred as an incident to the  
18 sale of service on or after July 1, 2003 and on or before  
19 December 31, 2018 but applies to 100% of the selling price  
20 thereafter.

21           At the election of any registered serviceman made for each  
22 fiscal year, sales of service in which the aggregate annual  
23 cost price of tangible personal property transferred as an  
24 incident to the sales of service is less than 35%, or 75% in  
25 the case of servicemen transferring prescription drugs or  
26 servicemen engaged in graphic arts production, of the aggregate

1 annual total gross receipts from all sales of service, the tax  
2 imposed by this Act shall be based on the serviceman's cost  
3 price of the tangible personal property transferred incident to  
4 the sale of those services.

5 The tax shall be imposed at the rate of 1% on food prepared  
6 for immediate consumption and transferred incident to a sale of  
7 service subject to this Act or the Service Occupation Tax Act  
8 by an entity licensed under the Hospital Licensing Act, the  
9 Nursing Home Care Act, the ID/DD Community Care Act, the  
10 Specialized Mental Health Rehabilitation Act of 2013, or the  
11 Child Care Act of 1969. The tax shall also be imposed at the  
12 rate of 1% on food for human consumption that is to be consumed  
13 off the premises where it is sold (other than alcoholic  
14 beverages, soft drinks, and food that has been prepared for  
15 immediate consumption and is not otherwise included in this  
16 paragraph) and prescription and nonprescription medicines,  
17 drugs, medical appliances, modifications to a motor vehicle for  
18 the purpose of rendering it usable by a disabled person, and  
19 insulin, urine testing materials, syringes, and needles used by  
20 diabetics, for human use. For the purposes of this Section,  
21 until September 1, 2009: the term "soft drinks" means any  
22 complete, finished, ready-to-use, non-alcoholic drink, whether  
23 carbonated or not, including but not limited to soda water,  
24 cola, fruit juice, vegetable juice, carbonated water, and all  
25 other preparations commonly known as soft drinks of whatever  
26 kind or description that are contained in any closed or sealed

1 can, carton, or container, regardless of size; but "soft  
2 drinks" does not include coffee, tea, non-carbonated water,  
3 infant formula, milk or milk products as defined in the Grade A  
4 Pasteurized Milk and Milk Products Act, or drinks containing  
5 50% or more natural fruit or vegetable juice.

6 Notwithstanding any other provisions of this Act,  
7 beginning September 1, 2009, "soft drinks" means non-alcoholic  
8 beverages that contain natural or artificial sweeteners. "Soft  
9 drinks" do not include beverages that contain milk or milk  
10 products, soy, rice or similar milk substitutes, or greater  
11 than 50% of vegetable or fruit juice by volume.

12 Until August 1, 2009, and notwithstanding any other  
13 provisions of this Act, "food for human consumption that is to  
14 be consumed off the premises where it is sold" includes all  
15 food sold through a vending machine, except soft drinks and  
16 food products that are dispensed hot from a vending machine,  
17 regardless of the location of the vending machine. Beginning  
18 August 1, 2009, and notwithstanding any other provisions of  
19 this Act, "food for human consumption that is to be consumed  
20 off the premises where it is sold" includes all food sold  
21 through a vending machine, except soft drinks, candy, and food  
22 products that are dispensed hot from a vending machine,  
23 regardless of the location of the vending machine.

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "food for human consumption that  
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a  
2 preparation of sugar, honey, or other natural or artificial  
3 sweeteners in combination with chocolate, fruits, nuts or other  
4 ingredients or flavorings in the form of bars, drops, or  
5 pieces. "Candy" does not include any preparation that contains  
6 flour or requires refrigeration.

7 Notwithstanding any other provisions of this Act,  
8 beginning September 1, 2009, "nonprescription medicines and  
9 drugs" does not include grooming and hygiene products. For  
10 purposes of this Section, "grooming and hygiene products"  
11 includes, but is not limited to, soaps and cleaning solutions,  
12 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
13 lotions and screens, unless those products are available by  
14 prescription only, regardless of whether the products meet the  
15 definition of "over-the-counter-drugs". For the purposes of  
16 this paragraph, "over-the-counter-drug" means a drug for human  
17 use that contains a label that identifies the product as a drug  
18 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
19 label includes:

20 (A) A "Drug Facts" panel; or

21 (B) A statement of the "active ingredient(s)" with a  
22 list of those ingredients contained in the compound,  
23 substance or preparation.

24 Beginning on January 1, 2014 (the effective date of Public  
25 Act 98-122), "prescription and nonprescription medicines and  
26 drugs" includes medical cannabis purchased from a registered

1 dispensing organization under the Compassionate Use of Medical  
2 Cannabis Pilot Program Act.

3 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
4 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,  
5 eff. 7-16-14.)

6 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

7 Sec. 9. Each serviceman required or authorized to collect  
8 the tax herein imposed shall pay to the Department the amount  
9 of such tax at the time when he is required to file his return  
10 for the period during which such tax was collectible, less a  
11 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
12 after January 1, 1990, or \$5 per calendar year, whichever is  
13 greater, which is allowed to reimburse the serviceman for  
14 expenses incurred in collecting the tax, keeping records,  
15 preparing and filing returns, remitting the tax and supplying  
16 data to the Department on request. The Department may disallow  
17 the discount for servicemen whose certificate of registration  
18 is revoked at the time the return is filed, but only if the  
19 Department's decision to revoke the certificate of  
20 registration has become final.

21 Where such tangible personal property is sold under a  
22 conditional sales contract, or under any other form of sale  
23 wherein the payment of the principal sum, or a part thereof, is  
24 extended beyond the close of the period for which the return is  
25 filed, the serviceman, in collecting the tax may collect, for

1 each tax return period, only the tax applicable to the part of  
2 the selling price actually received during such tax return  
3 period.

4 Except as provided hereinafter in this Section, on or  
5 before the twentieth day of each calendar month, such  
6 serviceman shall file a return for the preceding calendar month  
7 in accordance with reasonable rules and regulations to be  
8 promulgated by the Department of Revenue. Such return shall be  
9 filed on a form prescribed by the Department and shall contain  
10 such information as the Department may reasonably require.

11 The Department may require returns to be filed on a  
12 quarterly basis. If so required, a return for each calendar  
13 quarter shall be filed on or before the twentieth day of the  
14 calendar month following the end of such calendar quarter. The  
15 taxpayer shall also file a return with the Department for each  
16 of the first two months of each calendar quarter, on or before  
17 the twentieth day of the following calendar month, stating:

- 18 1. The name of the seller;
- 19 2. The address of the principal place of business from  
20 which he engages in business as a serviceman in this State;
- 21 3. The total amount of taxable receipts received by him  
22 during the preceding calendar month, including receipts  
23 from charge and time sales, but less all deductions allowed  
24 by law;
- 25 4. The amount of credit provided in Section 2d of this  
26 Act;

- 1           5. The amount of tax due;
- 2           5-5. The signature of the taxpayer; and
- 3           6. Such other reasonable information as the Department
- 4           may require.

5           If a taxpayer fails to sign a return within 30 days after  
6           the proper notice and demand for signature by the Department,  
7           the return shall be considered valid and any amount shown to be  
8           due on the return shall be deemed assessed.

9           Prior to October 1, 2003, and on and after September 1,  
10          2004 a serviceman may accept a Manufacturer's Purchase Credit  
11          certification from a purchaser in satisfaction of Service Use  
12          Tax as provided in Section 3-70 of the Service Use Tax Act if  
13          the purchaser provides the appropriate documentation as  
14          required by Section 3-70 of the Service Use Tax Act. A  
15          Manufacturer's Purchase Credit certification, accepted prior  
16          to October 1, 2003 or on or after September 1, 2004 by a  
17          serviceman as provided in Section 3-70 of the Service Use Tax  
18          Act, may be used by that serviceman to satisfy Service  
19          Occupation Tax liability in the amount claimed in the  
20          certification, not to exceed 7.25% ~~6.25%~~ of the receipts  
21          subject to tax from a qualifying purchase. A Manufacturer's  
22          Purchase Credit reported on any original or amended return  
23          filed under this Act after October 20, 2003 for reporting  
24          periods prior to September 1, 2004 shall be disallowed.  
25          Manufacturer's Purchase Credit reported on annual returns due  
26          on or after January 1, 2005 will be disallowed for periods

1 prior to September 1, 2004. No Manufacturer's Purchase Credit  
2 may be used after September 30, 2003 through August 31, 2004 to  
3 satisfy any tax liability imposed under this Act, including any  
4 audit liability.

5 If the serviceman's average monthly tax liability to the  
6 Department does not exceed \$200, the Department may authorize  
7 his returns to be filed on a quarter annual basis, with the  
8 return for January, February and March of a given year being  
9 due by April 20 of such year; with the return for April, May  
10 and June of a given year being due by July 20 of such year; with  
11 the return for July, August and September of a given year being  
12 due by October 20 of such year, and with the return for  
13 October, November and December of a given year being due by  
14 January 20 of the following year.

15 If the serviceman's average monthly tax liability to the  
16 Department does not exceed \$50, the Department may authorize  
17 his returns to be filed on an annual basis, with the return for  
18 a given year being due by January 20 of the following year.

19 Such quarter annual and annual returns, as to form and  
20 substance, shall be subject to the same requirements as monthly  
21 returns.

22 Notwithstanding any other provision in this Act concerning  
23 the time within which a serviceman may file his return, in the  
24 case of any serviceman who ceases to engage in a kind of  
25 business which makes him responsible for filing returns under  
26 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after  
2 discontinuing such business.

3 Beginning October 1, 1993, a taxpayer who has an average  
4 monthly tax liability of \$150,000 or more shall make all  
5 payments required by rules of the Department by electronic  
6 funds transfer. Beginning October 1, 1994, a taxpayer who has  
7 an average monthly tax liability of \$100,000 or more shall make  
8 all payments required by rules of the Department by electronic  
9 funds transfer. Beginning October 1, 1995, a taxpayer who has  
10 an average monthly tax liability of \$50,000 or more shall make  
11 all payments required by rules of the Department by electronic  
12 funds transfer. Beginning October 1, 2000, a taxpayer who has  
13 an annual tax liability of \$200,000 or more shall make all  
14 payments required by rules of the Department by electronic  
15 funds transfer. The term "annual tax liability" shall be the  
16 sum of the taxpayer's liabilities under this Act, and under all  
17 other State and local occupation and use tax laws administered  
18 by the Department, for the immediately preceding calendar year.  
19 The term "average monthly tax liability" means the sum of the  
20 taxpayer's liabilities under this Act, and under all other  
21 State and local occupation and use tax laws administered by the  
22 Department, for the immediately preceding calendar year  
23 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
24 a tax liability in the amount set forth in subsection (b) of  
25 Section 2505-210 of the Department of Revenue Law shall make  
26 all payments required by rules of the Department by electronic

1 funds transfer.

2 Before August 1 of each year beginning in 1993, the  
3 Department shall notify all taxpayers required to make payments  
4 by electronic funds transfer. All taxpayers required to make  
5 payments by electronic funds transfer shall make those payments  
6 for a minimum of one year beginning on October 1.

7 Any taxpayer not required to make payments by electronic  
8 funds transfer may make payments by electronic funds transfer  
9 with the permission of the Department.

10 All taxpayers required to make payment by electronic funds  
11 transfer and any taxpayers authorized to voluntarily make  
12 payments by electronic funds transfer shall make those payments  
13 in the manner authorized by the Department.

14 The Department shall adopt such rules as are necessary to  
15 effectuate a program of electronic funds transfer and the  
16 requirements of this Section.

17 Where a serviceman collects the tax with respect to the  
18 selling price of tangible personal property which he sells and  
19 the purchaser thereafter returns such tangible personal  
20 property and the serviceman refunds the selling price thereof  
21 to the purchaser, such serviceman shall also refund, to the  
22 purchaser, the tax so collected from the purchaser. When filing  
23 his return for the period in which he refunds such tax to the  
24 purchaser, the serviceman may deduct the amount of the tax so  
25 refunded by him to the purchaser from any other Service  
26 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or

1 Use Tax which such serviceman may be required to pay or remit  
2 to the Department, as shown by such return, provided that the  
3 amount of the tax to be deducted shall previously have been  
4 remitted to the Department by such serviceman. If the  
5 serviceman shall not previously have remitted the amount of  
6 such tax to the Department, he shall be entitled to no  
7 deduction hereunder upon refunding such tax to the purchaser.

8 If experience indicates such action to be practicable, the  
9 Department may prescribe and furnish a combination or joint  
10 return which will enable servicemen, who are required to file  
11 returns hereunder and also under the Retailers' Occupation Tax  
12 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
13 the return information required by all said Acts on the one  
14 form.

15 Where the serviceman has more than one business registered  
16 with the Department under separate registrations hereunder,  
17 such serviceman shall file separate returns for each registered  
18 business.

19 Beginning January 1, 1990, each month the Department shall  
20 pay into the Local Government Tax Fund the revenue realized for  
21 the preceding month from the 1% tax on sales of food for human  
22 consumption which is to be consumed off the premises where it  
23 is sold (other than alcoholic beverages, soft drinks and food  
24 which has been prepared for immediate consumption) and  
25 prescription and nonprescription medicines, drugs, medical  
26 appliances and insulin, urine testing materials, syringes and

1 needles used by diabetics.

2 Beginning January 1, 1990, each month the Department shall  
3 pay into the County and Mass Transit District Fund 4% of the  
4 revenue realized for the preceding month from the 7.25% ~~6.25%~~  
5 general rate.

6 Beginning August 1, 2000, each month the Department shall  
7 pay into the County and Mass Transit District Fund 20% of the  
8 net revenue realized for the preceding month from the 1.25%  
9 rate on the selling price of motor fuel and gasohol.

10 Beginning January 1, 1990, each month the Department shall  
11 pay into the Local Government Tax Fund 16% of the revenue  
12 realized for the preceding month from the 7.25% ~~6.25%~~ general  
13 rate on transfers of tangible personal property.

14 Beginning August 1, 2000, each month the Department shall  
15 pay into the Local Government Tax Fund 80% of the net revenue  
16 realized for the preceding month from the 1.25% rate on the  
17 selling price of motor fuel and gasohol.

18 Beginning October 1, 2009, each month the Department shall  
19 pay into the Capital Projects Fund an amount that is equal to  
20 an amount estimated by the Department to represent 80% of the  
21 net revenue realized for the preceding month from the sale of  
22 candy, grooming and hygiene products, and soft drinks that had  
23 been taxed at a rate of 1% prior to September 1, 2009 but that  
24 are now taxed at 7.25% ~~6.25%~~.

25 Beginning August 1, 2015, each month the Department shall  
26 pay into the School Infrastructure Support Fund 13% of the net

1 revenue realized for the preceding month from the 7.25% general  
2 rate on transfers of tangible personal property, other than (i)  
3 candy, (ii) grooming and hygiene products, and (iii) soft  
4 drinks.

5       Beginning July 1, 2013, each month the Department shall pay  
6 into the Underground Storage Tank Fund from the proceeds  
7 collected under this Act, the Use Tax Act, the Service Use Tax  
8 Act, and the Retailers' Occupation Tax Act an amount equal to  
9 the average monthly deficit in the Underground Storage Tank  
10 Fund during the prior year, as certified annually by the  
11 Illinois Environmental Protection Agency, but the total  
12 payment into the Underground Storage Tank Fund under this Act,  
13 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
14 Occupation Tax Act shall not exceed \$18,000,000 in any State  
15 fiscal year. As used in this paragraph, the "average monthly  
16 deficit" shall be equal to the difference between the average  
17 monthly claims for payment by the fund and the average monthly  
18 revenues deposited into the fund, excluding payments made  
19 pursuant to this paragraph.

20       Of the remainder of the moneys received by the Department  
21 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
22 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
23 and after July 1, 1989, 3.8% thereof shall be paid into the  
24 Build Illinois Fund; provided, however, that if in any fiscal  
25 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
26 may be, of the moneys received by the Department and required

1 to be paid into the Build Illinois Fund pursuant to Section 3  
2 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
3 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
4 Service Occupation Tax Act, such Acts being hereinafter called  
5 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
6 may be, of moneys being hereinafter called the "Tax Act  
7 Amount", and (2) the amount transferred to the Build Illinois  
8 Fund from the State and Local Sales Tax Reform Fund shall be  
9 less than the Annual Specified Amount (as defined in Section 3  
10 of the Retailers' Occupation Tax Act), an amount equal to the  
11 difference shall be immediately paid into the Build Illinois  
12 Fund from other moneys received by the Department pursuant to  
13 the Tax Acts; and further provided, that if on the last  
14 business day of any month the sum of (1) the Tax Act Amount  
15 required to be deposited into the Build Illinois Account in the  
16 Build Illinois Fund during such month and (2) the amount  
17 transferred during such month to the Build Illinois Fund from  
18 the State and Local Sales Tax Reform Fund shall have been less  
19 than 1/12 of the Annual Specified Amount, an amount equal to  
20 the difference shall be immediately paid into the Build  
21 Illinois Fund from other moneys received by the Department  
22 pursuant to the Tax Acts; and, further provided, that in no  
23 event shall the payments required under the preceding proviso  
24 result in aggregate payments into the Build Illinois Fund  
25 pursuant to this clause (b) for any fiscal year in excess of  
26 the greater of (i) the Tax Act Amount or (ii) the Annual

1 Specified Amount for such fiscal year; and, further provided,  
2 that the amounts payable into the Build Illinois Fund under  
3 this clause (b) shall be payable only until such time as the  
4 aggregate amount on deposit under each trust indenture securing  
5 Bonds issued and outstanding pursuant to the Build Illinois  
6 Bond Act is sufficient, taking into account any future  
7 investment income, to fully provide, in accordance with such  
8 indenture, for the defeasance of or the payment of the  
9 principal of, premium, if any, and interest on the Bonds  
10 secured by such indenture and on any Bonds expected to be  
11 issued thereafter and all fees and costs payable with respect  
12 thereto, all as certified by the Director of the Bureau of the  
13 Budget (now Governor's Office of Management and Budget). If on  
14 the last business day of any month in which Bonds are  
15 outstanding pursuant to the Build Illinois Bond Act, the  
16 aggregate of the moneys deposited in the Build Illinois Bond  
17 Account in the Build Illinois Fund in such month shall be less  
18 than the amount required to be transferred in such month from  
19 the Build Illinois Bond Account to the Build Illinois Bond  
20 Retirement and Interest Fund pursuant to Section 13 of the  
21 Build Illinois Bond Act, an amount equal to such deficiency  
22 shall be immediately paid from other moneys received by the  
23 Department pursuant to the Tax Acts to the Build Illinois Fund;  
24 provided, however, that any amounts paid to the Build Illinois  
25 Fund in any fiscal year pursuant to this sentence shall be  
26 deemed to constitute payments pursuant to clause (b) of the

1 preceding sentence and shall reduce the amount otherwise  
 2 payable for such fiscal year pursuant to clause (b) of the  
 3 preceding sentence. The moneys received by the Department  
 4 pursuant to this Act and required to be deposited into the  
 5 Build Illinois Fund are subject to the pledge, claim and charge  
 6 set forth in Section 12 of the Build Illinois Bond Act.

7 Subject to payment of amounts into the Build Illinois Fund  
 8 as provided in the preceding paragraph or in any amendment  
 9 thereto hereafter enacted, the following specified monthly  
 10 installment of the amount requested in the certificate of the  
 11 Chairman of the Metropolitan Pier and Exposition Authority  
 12 provided under Section 8.25f of the State Finance Act, but not  
 13 in excess of the sums designated as "Total Deposit", shall be  
 14 deposited in the aggregate from collections under Section 9 of  
 15 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 16 9 of the Service Occupation Tax Act, and Section 3 of the  
 17 Retailers' Occupation Tax Act into the McCormick Place  
 18 Expansion Project Fund in the specified fiscal years.

19	Fiscal Year	Total
		Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000

1	2025	275,000,000
2	2026	279,000,000
3	2027	292,000,000
4	2028	307,000,000
5	2029	322,000,000
6	2030	338,000,000
7	2031	350,000,000
8	2032	350,000,000

9 and

10 each fiscal year  
11 thereafter that bonds  
12 are outstanding under  
13 Section 13.2 of the  
14 Metropolitan Pier and  
15 Exposition Authority Act,  
16 but not after fiscal year 2060.

17 Beginning July 20, 1993 and in each month of each fiscal  
18 year thereafter, one-eighth of the amount requested in the  
19 certificate of the Chairman of the Metropolitan Pier and  
20 Exposition Authority for that fiscal year, less the amount  
21 deposited into the McCormick Place Expansion Project Fund by  
22 the State Treasurer in the respective month under subsection  
23 (g) of Section 13 of the Metropolitan Pier and Exposition  
24 Authority Act, plus cumulative deficiencies in the deposits  
25 required under this Section for previous months and years,  
26 shall be deposited into the McCormick Place Expansion Project

1 Fund, until the full amount requested for the fiscal year, but  
2 not in excess of the amount specified above as "Total Deposit",  
3 has been deposited.

4 Subject to payment of amounts into the Build Illinois Fund  
5 and the McCormick Place Expansion Project Fund pursuant to the  
6 preceding paragraphs or in any amendments thereto hereafter  
7 enacted, beginning July 1, 1993 and ending on September 30,  
8 2013, the Department shall each month pay into the Illinois Tax  
9 Increment Fund 0.27% of 67% ~~80%~~ of the net revenue realized for  
10 the preceding month from the 7.25% ~~6.25%~~ general rate on the  
11 selling price of tangible personal property.

12 Subject to payment of amounts into the Build Illinois Fund  
13 and the McCormick Place Expansion Project Fund pursuant to the  
14 preceding paragraphs or in any amendments thereto hereafter  
15 enacted, beginning with the receipt of the first report of  
16 taxes paid by an eligible business and continuing for a 25-year  
17 period, the Department shall each month pay into the Energy  
18 Infrastructure Fund 67% ~~80%~~ of the net revenue realized from  
19 the 7.25% ~~6.25%~~ general rate on the selling price of  
20 Illinois-mined coal that was sold to an eligible business. For  
21 purposes of this paragraph, the term "eligible business" means  
22 a new electric generating facility certified pursuant to  
23 Section 605-332 of the Department of Commerce and Economic  
24 Opportunity Law of the Civil Administrative Code of Illinois.

25 Subject to payment of amounts into the Build Illinois Fund,  
26 the McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Energy Infrastructure Fund pursuant to  
2 the preceding paragraphs or in any amendments to this Section  
3 hereafter enacted, beginning on the first day of the first  
4 calendar month to occur on or after the effective date of this  
5 amendatory Act of the 98th General Assembly, each month, from  
6 the collections made under Section 9 of the Use Tax Act,  
7 Section 9 of the Service Use Tax Act, Section 9 of the Service  
8 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
9 Tax Act, the Department shall pay into the Tax Compliance and  
10 Administration Fund, to be used, subject to appropriation, to  
11 fund additional auditors and compliance personnel at the  
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
13 the cash receipts collected during the preceding fiscal year by  
14 the Audit Bureau of the Department under the Use Tax Act, the  
15 Service Use Tax Act, the Service Occupation Tax Act, the  
16 Retailers' Occupation Tax Act, and associated local occupation  
17 and use taxes administered by the Department.

18 Of the remainder of the moneys received by the Department  
19 pursuant to this Act, 75% shall be paid into the General  
20 Revenue Fund of the State Treasury and 25% shall be reserved in  
21 a special account and used only for the transfer to the Common  
22 School Fund as part of the monthly transfer from the General  
23 Revenue Fund in accordance with Section 8a of the State Finance  
24 Act.

25 The Department may, upon separate written notice to a  
26 taxpayer, require the taxpayer to prepare and file with the

1 Department on a form prescribed by the Department within not  
2 less than 60 days after receipt of the notice an annual  
3 information return for the tax year specified in the notice.  
4 Such annual return to the Department shall include a statement  
5 of gross receipts as shown by the taxpayer's last Federal  
6 income tax return. If the total receipts of the business as  
7 reported in the Federal income tax return do not agree with the  
8 gross receipts reported to the Department of Revenue for the  
9 same period, the taxpayer shall attach to his annual return a  
10 schedule showing a reconciliation of the 2 amounts and the  
11 reasons for the difference. The taxpayer's annual return to the  
12 Department shall also disclose the cost of goods sold by the  
13 taxpayer during the year covered by such return, opening and  
14 closing inventories of such goods for such year, cost of goods  
15 used from stock or taken from stock and given away by the  
16 taxpayer during such year, pay roll information of the  
17 taxpayer's business during such year and any additional  
18 reasonable information which the Department deems would be  
19 helpful in determining the accuracy of the monthly, quarterly  
20 or annual returns filed by such taxpayer as hereinbefore  
21 provided for in this Section.

22 If the annual information return required by this Section  
23 is not filed when and as required, the taxpayer shall be liable  
24 as follows:

- 25 (i) Until January 1, 1994, the taxpayer shall be liable  
26 for a penalty equal to 1/6 of 1% of the tax due from such

1 taxpayer under this Act during the period to be covered by  
2 the annual return for each month or fraction of a month  
3 until such return is filed as required, the penalty to be  
4 assessed and collected in the same manner as any other  
5 penalty provided for in this Act.

6 (ii) On and after January 1, 1994, the taxpayer shall  
7 be liable for a penalty as described in Section 3-4 of the  
8 Uniform Penalty and Interest Act.

9 The chief executive officer, proprietor, owner or highest  
10 ranking manager shall sign the annual return to certify the  
11 accuracy of the information contained therein. Any person who  
12 willfully signs the annual return containing false or  
13 inaccurate information shall be guilty of perjury and punished  
14 accordingly. The annual return form prescribed by the  
15 Department shall include a warning that the person signing the  
16 return may be liable for perjury.

17 The foregoing portion of this Section concerning the filing  
18 of an annual information return shall not apply to a serviceman  
19 who is not required to file an income tax return with the  
20 United States Government.

21 As soon as possible after the first day of each month, upon  
22 certification of the Department of Revenue, the Comptroller  
23 shall order transferred and the Treasurer shall transfer from  
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25 equal to 1.7% of 80% of the net revenue realized under this Act  
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

2 Net revenue realized for a month shall be the revenue  
3 collected by the State pursuant to this Act, less the amount  
4 paid out during that month as refunds to taxpayers for  
5 overpayment of liability.

6 For greater simplicity of administration, it shall be  
7 permissible for manufacturers, importers and wholesalers whose  
8 products are sold by numerous servicemen in Illinois, and who  
9 wish to do so, to assume the responsibility for accounting and  
10 paying to the Department all tax accruing under this Act with  
11 respect to such sales, if the servicemen who are affected do  
12 not make written objection to the Department to this  
13 arrangement.

14 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
15 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;  
16 98-1098, eff. 8-26-14.)

17 Section 35. The Retailers' Occupation Tax Act is amended by  
18 changing Sections 2-5, 2-8, 2-10, 2d, 3, and 5l as follows:

19 (35 ILCS 120/2-5)

20 Sec. 2-5. Exemptions. Gross receipts from proceeds from the  
21 sale of the following tangible personal property are exempt  
22 from the tax imposed by this Act:

23 (1) Farm chemicals.

24 (2) Farm machinery and equipment, both new and used,

1 including that manufactured on special order, certified by the  
2 purchaser to be used primarily for production agriculture or  
3 State or federal agricultural programs, including individual  
4 replacement parts for the machinery and equipment, including  
5 machinery and equipment purchased for lease, and including  
6 implements of husbandry defined in Section 1-130 of the  
7 Illinois Vehicle Code, farm machinery and agricultural  
8 chemical and fertilizer spreaders, and nurse wagons required to  
9 be registered under Section 3-809 of the Illinois Vehicle Code,  
10 but excluding other motor vehicles required to be registered  
11 under the Illinois Vehicle Code. Horticultural polyhouses or  
12 hoop houses used for propagating, growing, or overwintering  
13 plants shall be considered farm machinery and equipment under  
14 this item (2). Agricultural chemical tender tanks and dry boxes  
15 shall include units sold separately from a motor vehicle  
16 required to be licensed and units sold mounted on a motor  
17 vehicle required to be licensed, if the selling price of the  
18 tender is separately stated.

19 Farm machinery and equipment shall include precision  
20 farming equipment that is installed or purchased to be  
21 installed on farm machinery and equipment including, but not  
22 limited to, tractors, harvesters, sprayers, planters, seeders,  
23 or spreaders. Precision farming equipment includes, but is not  
24 limited to, soil testing sensors, computers, monitors,  
25 software, global positioning and mapping systems, and other  
26 such equipment.

1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals. This item (2) is exempt from the  
8 provisions of Section 2-70.

9 (3) Until July 1, 2003, distillation machinery and  
10 equipment, sold as a unit or kit, assembled or installed by the  
11 retailer, certified by the user to be used only for the  
12 production of ethyl alcohol that will be used for consumption  
13 as motor fuel or as a component of motor fuel for the personal  
14 use of the user, and not subject to sale or resale.

15 (4) Until July 1, 2003 and beginning again September 1,  
16 2004 through August 30, 2014, graphic arts machinery and  
17 equipment, including repair and replacement parts, both new and  
18 used, and including that manufactured on special order or  
19 purchased for lease, certified by the purchaser to be used  
20 primarily for graphic arts production. Equipment includes  
21 chemicals or chemicals acting as catalysts but only if the  
22 chemicals or chemicals acting as catalysts effect a direct and  
23 immediate change upon a graphic arts product.

24 (5) A motor vehicle that is used for automobile renting, as  
25 defined in the Automobile Renting Occupation and Use Tax Act.  
26 This paragraph is exempt from the provisions of Section 2-70.

1           (6) Personal property sold by a teacher-sponsored student  
2 organization affiliated with an elementary or secondary school  
3 located in Illinois.

4           (7) Until July 1, 2003, proceeds of that portion of the  
5 selling price of a passenger car the sale of which is subject  
6 to the Replacement Vehicle Tax.

7           (8) Personal property sold to an Illinois county fair  
8 association for use in conducting, operating, or promoting the  
9 county fair.

10          (9) Personal property sold to a not-for-profit arts or  
11 cultural organization that establishes, by proof required by  
12 the Department by rule, that it has received an exemption under  
13 Section 501(c)(3) of the Internal Revenue Code and that is  
14 organized and operated primarily for the presentation or  
15 support of arts or cultural programming, activities, or  
16 services. These organizations include, but are not limited to,  
17 music and dramatic arts organizations such as symphony  
18 orchestras and theatrical groups, arts and cultural service  
19 organizations, local arts councils, visual arts organizations,  
20 and media arts organizations. On and after the effective date  
21 of this amendatory Act of the 92nd General Assembly, however,  
22 an entity otherwise eligible for this exemption shall not make  
23 tax-free purchases unless it has an active identification  
24 number issued by the Department.

25          (10) Personal property sold by a corporation, society,  
26 association, foundation, institution, or organization, other

1 than a limited liability company, that is organized and  
2 operated as a not-for-profit service enterprise for the benefit  
3 of persons 65 years of age or older if the personal property  
4 was not purchased by the enterprise for the purpose of resale  
5 by the enterprise.

6 (11) Personal property sold to a governmental body, to a  
7 corporation, society, association, foundation, or institution  
8 organized and operated exclusively for charitable, religious,  
9 or educational purposes, or to a not-for-profit corporation,  
10 society, association, foundation, institution, or organization  
11 that has no compensated officers or employees and that is  
12 organized and operated primarily for the recreation of persons  
13 55 years of age or older. A limited liability company may  
14 qualify for the exemption under this paragraph only if the  
15 limited liability company is organized and operated  
16 exclusively for educational purposes. On and after July 1,  
17 1987, however, no entity otherwise eligible for this exemption  
18 shall make tax-free purchases unless it has an active  
19 identification number issued by the Department.

20 (12) Tangible personal property sold to interstate  
21 carriers for hire for use as rolling stock moving in interstate  
22 commerce or to lessors under leases of one year or longer  
23 executed or in effect at the time of purchase by interstate  
24 carriers for hire for use as rolling stock moving in interstate  
25 commerce and equipment operated by a telecommunications  
26 provider, licensed as a common carrier by the Federal

1 Communications Commission, which is permanently installed in  
2 or affixed to aircraft moving in interstate commerce.

3 (12-5) On and after July 1, 2003 and through June 30, 2004,  
4 motor vehicles of the second division with a gross vehicle  
5 weight in excess of 8,000 pounds that are subject to the  
6 commercial distribution fee imposed under Section 3-815.1 of  
7 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
8 through June 30, 2005, the use in this State of motor vehicles  
9 of the second division: (i) with a gross vehicle weight rating  
10 in excess of 8,000 pounds; (ii) that are subject to the  
11 commercial distribution fee imposed under Section 3-815.1 of  
12 the Illinois Vehicle Code; and (iii) that are primarily used  
13 for commercial purposes. Through June 30, 2005, this exemption  
14 applies to repair and replacement parts added after the initial  
15 purchase of such a motor vehicle if that motor vehicle is used  
16 in a manner that would qualify for the rolling stock exemption  
17 otherwise provided for in this Act. For purposes of this  
18 paragraph, "used for commercial purposes" means the  
19 transportation of persons or property in furtherance of any  
20 commercial or industrial enterprise whether for-hire or not.

21 (13) Proceeds from sales to owners, lessors, or shippers of  
22 tangible personal property that is utilized by interstate  
23 carriers for hire for use as rolling stock moving in interstate  
24 commerce and equipment operated by a telecommunications  
25 provider, licensed as a common carrier by the Federal  
26 Communications Commission, which is permanently installed in

1 or affixed to aircraft moving in interstate commerce.

2 (14) Machinery and equipment that will be used by the  
3 purchaser, or a lessee of the purchaser, primarily in the  
4 process of manufacturing or assembling tangible personal  
5 property for wholesale or retail sale or lease, whether the  
6 sale or lease is made directly by the manufacturer or by some  
7 other person, whether the materials used in the process are  
8 owned by the manufacturer or some other person, or whether the  
9 sale or lease is made apart from or as an incident to the  
10 seller's engaging in the service occupation of producing  
11 machines, tools, dies, jigs, patterns, gauges, or other similar  
12 items of no commercial value on special order for a particular  
13 purchaser. The exemption provided by this paragraph (14) does  
14 not include machinery and equipment used in (i) the generation  
15 of electricity for wholesale or retail sale; (ii) the  
16 generation or treatment of natural or artificial gas for  
17 wholesale or retail sale that is delivered to customers through  
18 pipes, pipelines, or mains; or (iii) the treatment of water for  
19 wholesale or retail sale that is delivered to customers through  
20 pipes, pipelines, or mains. The provisions of Public Act 98-583  
21 are declaratory of existing law as to the meaning and scope of  
22 this exemption.

23 (15) Proceeds of mandatory service charges separately  
24 stated on customers' bills for purchase and consumption of food  
25 and beverages, to the extent that the proceeds of the service  
26 charge are in fact turned over as tips or as a substitute for

1 tips to the employees who participate directly in preparing,  
2 serving, hosting or cleaning up the food or beverage function  
3 with respect to which the service charge is imposed.

4 (16) Petroleum products sold to a purchaser if the seller  
5 is prohibited by federal law from charging tax to the  
6 purchaser.

7 (17) Tangible personal property sold to a common carrier by  
8 rail or motor that receives the physical possession of the  
9 property in Illinois and that transports the property, or  
10 shares with another common carrier in the transportation of the  
11 property, out of Illinois on a standard uniform bill of lading  
12 showing the seller of the property as the shipper or consignor  
13 of the property to a destination outside Illinois, for use  
14 outside Illinois.

15 (18) Legal tender, currency, medallions, or gold or silver  
16 coinage issued by the State of Illinois, the government of the  
17 United States of America, or the government of any foreign  
18 country, and bullion.

19 (19) Until July 1 2003, oil field exploration, drilling,  
20 and production equipment, including (i) rigs and parts of rigs,  
21 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
22 tubular goods, including casing and drill strings, (iii) pumps  
23 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
24 individual replacement part for oil field exploration,  
25 drilling, and production equipment, and (vi) machinery and  
26 equipment purchased for lease; but excluding motor vehicles

1 required to be registered under the Illinois Vehicle Code.

2 (20) Photoprocessing machinery and equipment, including  
3 repair and replacement parts, both new and used, including that  
4 manufactured on special order, certified by the purchaser to be  
5 used primarily for photoprocessing, and including  
6 photoprocessing machinery and equipment purchased for lease.

7 (21) Coal and aggregate exploration, mining, off-highway  
8 hauling, processing, maintenance, and reclamation equipment,  
9 including replacement parts and equipment, and including  
10 equipment purchased for lease, but excluding motor vehicles  
11 required to be registered under the Illinois Vehicle Code. The  
12 changes made to this Section by Public Act 97-767 apply on and  
13 after July 1, 2003, but no claim for credit or refund is  
14 allowed on or after August 16, 2013 (the effective date of  
15 Public Act 98-456) for such taxes paid during the period  
16 beginning July 1, 2003 and ending on August 16, 2013 (the  
17 effective date of Public Act 98-456).

18 (22) Until June 30, 2013, fuel and petroleum products sold  
19 to or used by an air carrier, certified by the carrier to be  
20 used for consumption, shipment, or storage in the conduct of  
21 its business as an air common carrier, for a flight destined  
22 for or returning from a location or locations outside the  
23 United States without regard to previous or subsequent domestic  
24 stopovers.

25 Beginning July 1, 2013, fuel and petroleum products sold to  
26 or used by an air carrier, certified by the carrier to be used

1 for consumption, shipment, or storage in the conduct of its  
2 business as an air common carrier, for a flight that (i) is  
3 engaged in foreign trade or is engaged in trade between the  
4 United States and any of its possessions and (ii) transports at  
5 least one individual or package for hire from the city of  
6 origination to the city of final destination on the same  
7 aircraft, without regard to a change in the flight number of  
8 that aircraft.

9 (23) A transaction in which the purchase order is received  
10 by a florist who is located outside Illinois, but who has a  
11 florist located in Illinois deliver the property to the  
12 purchaser or the purchaser's donee in Illinois.

13 (24) Fuel consumed or used in the operation of ships,  
14 barges, or vessels that are used primarily in or for the  
15 transportation of property or the conveyance of persons for  
16 hire on rivers bordering on this State if the fuel is delivered  
17 by the seller to the purchaser's barge, ship, or vessel while  
18 it is afloat upon that bordering river.

19 (25) Except as provided in item (25-5) of this Section, a  
20 motor vehicle sold in this State to a nonresident even though  
21 the motor vehicle is delivered to the nonresident in this  
22 State, if the motor vehicle is not to be titled in this State,  
23 and if a drive-away permit is issued to the motor vehicle as  
24 provided in Section 3-603 of the Illinois Vehicle Code or if  
25 the nonresident purchaser has vehicle registration plates to  
26 transfer to the motor vehicle upon returning to his or her home

1 state. The issuance of the drive-away permit or having the  
2 out-of-state registration plates to be transferred is prima  
3 facie evidence that the motor vehicle will not be titled in  
4 this State.

5 (25-5) The exemption under item (25) does not apply if the  
6 state in which the motor vehicle will be titled does not allow  
7 a reciprocal exemption for a motor vehicle sold and delivered  
8 in that state to an Illinois resident but titled in Illinois.  
9 The tax collected under this Act on the sale of a motor vehicle  
10 in this State to a resident of another state that does not  
11 allow a reciprocal exemption shall be imposed at a rate equal  
12 to the state's rate of tax on taxable property in the state in  
13 which the purchaser is a resident, except that the tax shall  
14 not exceed the tax that would otherwise be imposed under this  
15 Act. At the time of the sale, the purchaser shall execute a  
16 statement, signed under penalty of perjury, of his or her  
17 intent to title the vehicle in the state in which the purchaser  
18 is a resident within 30 days after the sale and of the fact of  
19 the payment to the State of Illinois of tax in an amount  
20 equivalent to the state's rate of tax on taxable property in  
21 his or her state of residence and shall submit the statement to  
22 the appropriate tax collection agency in his or her state of  
23 residence. In addition, the retailer must retain a signed copy  
24 of the statement in his or her records. Nothing in this item  
25 shall be construed to require the removal of the vehicle from  
26 this state following the filing of an intent to title the

1 vehicle in the purchaser's state of residence if the purchaser  
2 titles the vehicle in his or her state of residence within 30  
3 days after the date of sale. The tax collected under this Act  
4 in accordance with this item (25-5) shall be proportionately  
5 distributed as if the tax were collected at the 7.25% ~~6.25%~~  
6 general rate imposed under this Act.

7 (25-7) Beginning on July 1, 2007, no tax is imposed under  
8 this Act on the sale of an aircraft, as defined in Section 3 of  
9 the Illinois Aeronautics Act, if all of the following  
10 conditions are met:

11 (1) the aircraft leaves this State within 15 days after  
12 the later of either the issuance of the final billing for  
13 the sale of the aircraft, or the authorized approval for  
14 return to service, completion of the maintenance record  
15 entry, and completion of the test flight and ground test  
16 for inspection, as required by 14 C.F.R. 91.407;

17 (2) the aircraft is not based or registered in this  
18 State after the sale of the aircraft; and

19 (3) the seller retains in his or her books and records  
20 and provides to the Department a signed and dated  
21 certification from the purchaser, on a form prescribed by  
22 the Department, certifying that the requirements of this  
23 item (25-7) are met. The certificate must also include the  
24 name and address of the purchaser, the address of the  
25 location where the aircraft is to be titled or registered,  
26 the address of the primary physical location of the

1 aircraft, and other information that the Department may  
2 reasonably require.

3 For purposes of this item (25-7):

4 "Based in this State" means hangared, stored, or otherwise  
5 used, excluding post-sale customizations as defined in this  
6 Section, for 10 or more days in each 12-month period  
7 immediately following the date of the sale of the aircraft.

8 "Registered in this State" means an aircraft registered  
9 with the Department of Transportation, Aeronautics Division,  
10 or titled or registered with the Federal Aviation  
11 Administration to an address located in this State.

12 This paragraph (25-7) is exempt from the provisions of  
13 Section 2-70.

14 (26) Semen used for artificial insemination of livestock  
15 for direct agricultural production.

16 (27) Horses, or interests in horses, registered with and  
17 meeting the requirements of any of the Arabian Horse Club  
18 Registry of America, Appaloosa Horse Club, American Quarter  
19 Horse Association, United States Trotting Association, or  
20 Jockey Club, as appropriate, used for purposes of breeding or  
21 racing for prizes. This item (27) is exempt from the provisions  
22 of Section 2-70, and the exemption provided for under this item  
23 (27) applies for all periods beginning May 30, 1995, but no  
24 claim for credit or refund is allowed on or after January 1,  
25 2008 (the effective date of Public Act 95-88) for such taxes  
26 paid during the period beginning May 30, 2000 and ending on

1 January 1, 2008 (the effective date of Public Act 95-88).

2 (28) Computers and communications equipment utilized for  
3 any hospital purpose and equipment used in the diagnosis,  
4 analysis, or treatment of hospital patients sold to a lessor  
5 who leases the equipment, under a lease of one year or longer  
6 executed or in effect at the time of the purchase, to a  
7 hospital that has been issued an active tax exemption  
8 identification number by the Department under Section 1g of  
9 this Act.

10 (29) Personal property sold to a lessor who leases the  
11 property, under a lease of one year or longer executed or in  
12 effect at the time of the purchase, to a governmental body that  
13 has been issued an active tax exemption identification number  
14 by the Department under Section 1g of this Act.

15 (30) Beginning with taxable years ending on or after  
16 December 31, 1995 and ending with taxable years ending on or  
17 before December 31, 2004, personal property that is donated for  
18 disaster relief to be used in a State or federally declared  
19 disaster area in Illinois or bordering Illinois by a  
20 manufacturer or retailer that is registered in this State to a  
21 corporation, society, association, foundation, or institution  
22 that has been issued a sales tax exemption identification  
23 number by the Department that assists victims of the disaster  
24 who reside within the declared disaster area.

25 (31) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on or

1 before December 31, 2004, personal property that is used in the  
2 performance of infrastructure repairs in this State, including  
3 but not limited to municipal roads and streets, access roads,  
4 bridges, sidewalks, waste disposal systems, water and sewer  
5 line extensions, water distribution and purification  
6 facilities, storm water drainage and retention facilities, and  
7 sewage treatment facilities, resulting from a State or  
8 federally declared disaster in Illinois or bordering Illinois  
9 when such repairs are initiated on facilities located in the  
10 declared disaster area within 6 months after the disaster.

11 (32) Beginning July 1, 1999, game or game birds sold at a  
12 "game breeding and hunting preserve area" as that term is used  
13 in the Wildlife Code. This paragraph is exempt from the  
14 provisions of Section 2-70.

15 (33) A motor vehicle, as that term is defined in Section  
16 1-146 of the Illinois Vehicle Code, that is donated to a  
17 corporation, limited liability company, society, association,  
18 foundation, or institution that is determined by the Department  
19 to be organized and operated exclusively for educational  
20 purposes. For purposes of this exemption, "a corporation,  
21 limited liability company, society, association, foundation,  
22 or institution organized and operated exclusively for  
23 educational purposes" means all tax-supported public schools,  
24 private schools that offer systematic instruction in useful  
25 branches of learning by methods common to public schools and  
26 that compare favorably in their scope and intensity with the

1 course of study presented in tax-supported schools, and  
2 vocational or technical schools or institutes organized and  
3 operated exclusively to provide a course of study of not less  
4 than 6 weeks duration and designed to prepare individuals to  
5 follow a trade or to pursue a manual, technical, mechanical,  
6 industrial, business, or commercial occupation.

7 (34) Beginning January 1, 2000, personal property,  
8 including food, purchased through fundraising events for the  
9 benefit of a public or private elementary or secondary school,  
10 a group of those schools, or one or more school districts if  
11 the events are sponsored by an entity recognized by the school  
12 district that consists primarily of volunteers and includes  
13 parents and teachers of the school children. This paragraph  
14 does not apply to fundraising events (i) for the benefit of  
15 private home instruction or (ii) for which the fundraising  
16 entity purchases the personal property sold at the events from  
17 another individual or entity that sold the property for the  
18 purpose of resale by the fundraising entity and that profits  
19 from the sale to the fundraising entity. This paragraph is  
20 exempt from the provisions of Section 2-70.

21 (35) Beginning January 1, 2000 and through December 31,  
22 2001, new or used automatic vending machines that prepare and  
23 serve hot food and beverages, including coffee, soup, and other  
24 items, and replacement parts for these machines. Beginning  
25 January 1, 2002 and through June 30, 2003, machines and parts  
26 for machines used in commercial, coin-operated amusement and

1 vending business if a use or occupation tax is paid on the  
2 gross receipts derived from the use of the commercial,  
3 coin-operated amusement and vending machines. This paragraph  
4 is exempt from the provisions of Section 2-70.

5 (35-5) Beginning August 23, 2001 and through June 30, 2016,  
6 food for human consumption that is to be consumed off the  
7 premises where it is sold (other than alcoholic beverages, soft  
8 drinks, and food that has been prepared for immediate  
9 consumption) and prescription and nonprescription medicines,  
10 drugs, medical appliances, and insulin, urine testing  
11 materials, syringes, and needles used by diabetics, for human  
12 use, when purchased for use by a person receiving medical  
13 assistance under Article V of the Illinois Public Aid Code who  
14 resides in a licensed long-term care facility, as defined in  
15 the Nursing Home Care Act, or a licensed facility as defined in  
16 the ID/DD Community Care Act or the Specialized Mental Health  
17 Rehabilitation Act of 2013.

18 (36) Beginning August 2, 2001, computers and  
19 communications equipment utilized for any hospital purpose and  
20 equipment used in the diagnosis, analysis, or treatment of  
21 hospital patients sold to a lessor who leases the equipment,  
22 under a lease of one year or longer executed or in effect at  
23 the time of the purchase, to a hospital that has been issued an  
24 active tax exemption identification number by the Department  
25 under Section 1g of this Act. This paragraph is exempt from the  
26 provisions of Section 2-70.

1           (37) Beginning August 2, 2001, personal property sold to a  
2           lessor who leases the property, under a lease of one year or  
3           longer executed or in effect at the time of the purchase, to a  
4           governmental body that has been issued an active tax exemption  
5           identification number by the Department under Section 1g of  
6           this Act. This paragraph is exempt from the provisions of  
7           Section 2-70.

8           (38) Beginning on January 1, 2002 and through June 30,  
9           2016, tangible personal property purchased from an Illinois  
10          retailer by a taxpayer engaged in centralized purchasing  
11          activities in Illinois who will, upon receipt of the property  
12          in Illinois, temporarily store the property in Illinois (i) for  
13          the purpose of subsequently transporting it outside this State  
14          for use or consumption thereafter solely outside this State or  
15          (ii) for the purpose of being processed, fabricated, or  
16          manufactured into, attached to, or incorporated into other  
17          tangible personal property to be transported outside this State  
18          and thereafter used or consumed solely outside this State. The  
19          Director of Revenue shall, pursuant to rules adopted in  
20          accordance with the Illinois Administrative Procedure Act,  
21          issue a permit to any taxpayer in good standing with the  
22          Department who is eligible for the exemption under this  
23          paragraph (38). The permit issued under this paragraph (38)  
24          shall authorize the holder, to the extent and in the manner  
25          specified in the rules adopted under this Act, to purchase  
26          tangible personal property from a retailer exempt from the

1 taxes imposed by this Act. Taxpayers shall maintain all  
2 necessary books and records to substantiate the use and  
3 consumption of all such tangible personal property outside of  
4 the State of Illinois.

5 (39) Beginning January 1, 2008, tangible personal property  
6 used in the construction or maintenance of a community water  
7 supply, as defined under Section 3.145 of the Environmental  
8 Protection Act, that is operated by a not-for-profit  
9 corporation that holds a valid water supply permit issued under  
10 Title IV of the Environmental Protection Act. This paragraph is  
11 exempt from the provisions of Section 2-70.

12 (40) Beginning January 1, 2010, materials, parts,  
13 equipment, components, and furnishings incorporated into or  
14 upon an aircraft as part of the modification, refurbishment,  
15 completion, replacement, repair, or maintenance of the  
16 aircraft. This exemption includes consumable supplies used in  
17 the modification, refurbishment, completion, replacement,  
18 repair, and maintenance of aircraft, but excludes any  
19 materials, parts, equipment, components, and consumable  
20 supplies used in the modification, replacement, repair, and  
21 maintenance of aircraft engines or power plants, whether such  
22 engines or power plants are installed or uninstalled upon any  
23 such aircraft. "Consumable supplies" include, but are not  
24 limited to, adhesive, tape, sandpaper, general purpose  
25 lubricants, cleaning solution, latex gloves, and protective  
26 films. This exemption applies only to the sale of qualifying

1 tangible personal property to persons who modify, refurbish,  
2 complete, replace, or maintain an aircraft and who (i) hold an  
3 Air Agency Certificate and are empowered to operate an approved  
4 repair station by the Federal Aviation Administration, (ii)  
5 have a Class IV Rating, and (iii) conduct operations in  
6 accordance with Part 145 of the Federal Aviation Regulations.  
7 The exemption does not include aircraft operated by a  
8 commercial air carrier providing scheduled passenger air  
9 service pursuant to authority issued under Part 121 or Part 129  
10 of the Federal Aviation Regulations. The changes made to this  
11 paragraph (40) by Public Act 98-534 are declarative of existing  
12 law.

13 (41) Tangible personal property sold to a  
14 public-facilities corporation, as described in Section  
15 11-65-10 of the Illinois Municipal Code, for purposes of  
16 constructing or furnishing a municipal convention hall, but  
17 only if the legal title to the municipal convention hall is  
18 transferred to the municipality without any further  
19 consideration by or on behalf of the municipality at the time  
20 of the completion of the municipal convention hall or upon the  
21 retirement or redemption of any bonds or other debt instruments  
22 issued by the public-facilities corporation in connection with  
23 the development of the municipal convention hall. This  
24 exemption includes existing public-facilities corporations as  
25 provided in Section 11-65-25 of the Illinois Municipal Code.  
26 This paragraph is exempt from the provisions of Section 2-70.

1 (Source: P.A. 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227,  
2 eff. 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767,  
3 eff. 7-9-12; 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;  
4 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.  
5 1-1-14; 98-583, eff. 1-1-14; 98-756, eff. 7-16-14.)

6 (35 ILCS 120/2-8)

7 Sec. 2-8. Sales tax holiday items.

8 (a) The tangible personal property described in this  
9 subsection qualifies for the 1.25% reduced rate of tax for the  
10 period set forth in Section 2-10 of this Act (hereinafter  
11 referred to as the Sales Tax Holiday Period). The reduced rate  
12 on these items shall be administered under the provisions of  
13 subsection (b) of this Section. The following items are subject  
14 to the reduced rate:

15 (1) Clothing items that each have a retail selling  
16 price of less than \$100.

17 "Clothing" means, unless otherwise specified in this  
18 Section, all human wearing apparel suitable for general  
19 use. "Clothing" does not include clothing accessories,  
20 protective equipment, or sport or recreational equipment.  
21 "Clothing" includes, but is not limited to: household and  
22 shop aprons; athletic supporters; bathing suits and caps;  
23 belts and suspenders; boots; coats and jackets; ear muffs;  
24 footlets; gloves and mittens for general use; hats and  
25 caps; hosiery; insoles for shoes; lab coats; neckties;

1 overshoes; pantyhose; rainwear; rubber pants; sandals;  
2 scarves; shoes and shoelaces; slippers; sneakers; socks  
3 and stockings; steel-toed shoes; underwear; and school  
4 uniforms.

5 "Clothing accessories" means, but is not limited to:  
6 briefcases; cosmetics; hair notions, including, but not  
7 limited to barrettes, hair bows, and hair nets; handbags;  
8 handkerchiefs; jewelry; non-prescription sunglasses;  
9 umbrellas; wallets; watches; and wigs and hair pieces.

10 "Protective equipment" means, but is not limited to:  
11 breathing masks; clean room apparel and equipment; ear and  
12 hearing protectors; face shields; hard hats; helmets;  
13 paint or dust respirators; protective gloves; safety  
14 glasses and goggles; safety belts; tool belts; and welder's  
15 gloves and masks.

16 "Sport or recreational equipment" means, but is not  
17 limited to: ballet and tap shoes; cleated or spiked  
18 athletic shoes; gloves, including, but not limited to,  
19 baseball, bowling, boxing, hockey, and golf gloves;  
20 goggles; hand and elbow guards; life preservers and vests;  
21 mouth guards; roller and ice skates; shin guards; shoulder  
22 pads; ski boots; waders; and wetsuits and fins.

23 (2) School supplies. "School supplies" means, unless  
24 otherwise specified in this Section, items used by a  
25 student in a course of study. The purchase of school  
26 supplies for use by persons other than students for use in

1 a course of study are not eligible for the reduced rate of  
2 tax. "School supplies" do not include school art supplies;  
3 school instructional materials; cameras; film and memory  
4 cards; videocameras, tapes, and videotapes; computers;  
5 cell phones; Personal Digital Assistants (PDAs); handheld  
6 electronic schedulers; and school computer supplies.

7 "School supplies" includes, but is not limited to:  
8 binders; book bags; calculators; cellophane tape;  
9 blackboard chalk; compasses; composition books; crayons;  
10 erasers; expandable, pocket, plastic, and manila folders;  
11 glue, paste, and paste sticks; highlighters; index cards;  
12 index card boxes; legal pads; lunch boxes; markers;  
13 notebooks; paper, including loose leaf ruled notebook  
14 paper, copy paper, graph paper, tracing paper, manila  
15 paper, colored paper, poster board, and construction  
16 paper; pencils; pencil leads; pens; ink and ink refills for  
17 pens; pencil boxes and other school supply boxes; pencil  
18 sharpeners; protractors; rulers; scissors; and writing  
19 tablets.

20 "School art supply" means an item commonly used by a  
21 student in a course of study for artwork and includes only  
22 the following items: clay and glazes; acrylic, tempera, and  
23 oil paint; paintbrushes for artwork; sketch and drawing  
24 pads; and watercolors.

25 "School instructional material" means written material  
26 commonly used by a student in a course of study as a

1 reference and to learn the subject being taught and  
2 includes only the following items: reference books;  
3 reference maps and globes; textbooks; and workbooks.

4 "School computer supply" means an item commonly used by  
5 a student in a course of study in which a computer is used  
6 and applies only to the following items: flashdrives and  
7 other computer data storage devices; data storage media,  
8 such as diskettes and compact disks; boxes and cases for  
9 disk storage; external ports or drives; computer cases;  
10 computer cables; computer printers; and printer  
11 cartridges, toner, and ink.

12 (b) Administration. Notwithstanding any other provision of  
13 this Act, the reduced rate of tax under Section 3-10 of this  
14 Act for clothing and school supplies shall be administered by  
15 the Department under the provisions of this subsection (b).

16 (1) Bundled sales. Items that qualify for the reduced  
17 rate of tax that are bundled together with items that do  
18 not qualify for the reduced rate of tax and that are sold  
19 for one itemized price will be subject to the reduced rate  
20 of tax only if the value of the items that qualify for the  
21 reduced rate of tax exceeds the value of the items that do  
22 not qualify for the reduced rate of tax.

23 (2) Coupons and discounts. An unreimbursed discount by  
24 the seller reduces the sales price of the property so that  
25 the discounted sales price determines whether the sales  
26 price is within a sales tax holiday price threshold. A

1 coupon or other reduction in the sales price is treated as  
2 a discount if the seller is not reimbursed for the coupon  
3 or reduction amount by a third party.

4 (3) Splitting of items normally sold together.  
5 Articles that are normally sold as a single unit must  
6 continue to be sold in that manner. Such articles cannot be  
7 priced separately and sold as individual items in order to  
8 obtain the reduced rate of tax. For example, a pair of  
9 shoes cannot have each shoe sold separately so that the  
10 sales price of each shoe is within a sales tax holiday  
11 price threshold.

12 (4) Rain checks. A rain check is a procedure that  
13 allows a customer to purchase an item at a certain price at  
14 a later time because the particular item was out of stock.  
15 Eligible property that customers purchase during the Sales  
16 Tax Holiday Period with the use of a rain check will  
17 qualify for the reduced rate of tax regardless of when the  
18 rain check was issued. Issuance of a rain check during the  
19 Sales Tax Holiday Period will not qualify eligible property  
20 for the reduced rate of tax if the property is actually  
21 purchased after the Sales Tax Holiday Period.

22 (5) Exchanges. The procedure for an exchange in regards  
23 to a sales tax holiday is as follows:

24 (A) If a customer purchases an item of eligible  
25 property during the Sales Tax Holiday Period, but later  
26 exchanges the item for a similar eligible item, even if

1 a different size, different color, or other feature, no  
2 additional tax is due even if the exchange is made  
3 after the Sales Tax Holiday Period.

4 (B) If a customer purchases an item of eligible  
5 property during the Sales Tax Holiday Period, but after  
6 the Sales Tax Holiday Period has ended, the customer  
7 returns the item and receives credit on the purchase of  
8 a different item, the ~~6.25%~~ general merchandise sales  
9 tax rate is due on the sale of the newly purchased  
10 item.

11 (C) If a customer purchases an item of eligible  
12 property before the Sales Tax Holiday Period, but  
13 during the Sales Tax Holiday Period the customer  
14 returns the item and receives credit on the purchase of  
15 a different item of eligible property, the reduced rate  
16 of tax is due on the sale of the new item if the new  
17 item is purchased during the Sales Tax Holiday Period.

18 (6) Delivery charges. Delivery charges, including  
19 shipping, handling and service charges, are part of the  
20 sales price of eligible property.

21 (7) Order date and back orders. For the purpose of a  
22 sales tax holiday, eligible property qualifies for the  
23 reduced rate of tax if: (i) the item is both delivered to  
24 and paid for by the customer during the Sales Tax Holiday  
25 Period or (ii) the customer orders and pays for the item  
26 and the seller accepts the order during the Sales Tax

1           Holiday Period for immediate shipment, even if delivery is  
2           made after the Sales Tax Holiday Period. The seller accepts  
3           an order when the seller has taken action to fill the order  
4           for immediate shipment. Actions to fill an order include  
5           placement of an "in date" stamp on an order or assignment  
6           of an "order number" to an order within the Sales Tax  
7           Holiday Period. An order is for immediate shipment when the  
8           customer does not request delayed shipment. An order is for  
9           immediate shipment notwithstanding that the shipment may  
10          be delayed because of a backlog of orders or because stock  
11          is currently unavailable to, or on back order by, the  
12          seller.

13                 (8) Returns. For a 60-day period immediately after the  
14          Sales Tax Holiday Period, if a customer returns an item  
15          that would qualify for the reduced rate of tax, credit for  
16          or refund of sales tax shall be given only at the reduced  
17          rate unless the customer provides a receipt or invoice that  
18          shows tax was paid at the ~~6.25%~~ general merchandise rate,  
19          or the seller has sufficient documentation to show that tax  
20          was paid at the ~~6.25%~~ general merchandise rate on the  
21          specific item. This 60-day period is set solely for the  
22          purpose of designating a time period during which the  
23          customer must provide documentation that shows that the  
24          appropriate sales tax rate was paid on returned  
25          merchandise. The 60-day period is not intended to change a  
26          seller's policy on the time period during which the seller

1 will accept returns.

2 (c) The Department may implement the provisions of this  
3 Section through the use of emergency rules, along with  
4 permanent rules filed concurrently with such emergency rules,  
5 in accordance with the provisions of Section 5-45 of the  
6 Illinois Administrative Procedure Act. For purposes of the  
7 Illinois Administrative Procedure Act, the adoption of rules to  
8 implement the provisions of this Section shall be deemed an  
9 emergency and necessary for the public interest, safety, and  
10 welfare.

11 (Source: P.A. 96-1012, eff. 7-7-10.)

12 (35 ILCS 120/2-10)

13 Sec. 2-10. Rate of tax. Unless otherwise provided in this  
14 Section, the tax imposed by this Act is at the rate of 7.25%  
15 ~~6.25%~~ of gross receipts from sales of tangible personal  
16 property made in the course of business.

17 Beginning on July 1, 2000 and through December 31, 2000,  
18 with respect to motor fuel, as defined in Section 1.1 of the  
19 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
20 the Use Tax Act, the tax is imposed at the rate of 1.25%.

21 Beginning on August 6, 2010 through August 15, 2010, with  
22 respect to sales tax holiday items as defined in Section 2-8 of  
23 this Act, the tax is imposed at the rate of 1.25%.

24 Within 14 days after the effective date of this amendatory  
25 Act of the 91st General Assembly, each retailer of motor fuel

1 and gasohol shall cause the following notice to be posted in a  
2 prominently visible place on each retail dispensing device that  
3 is used to dispense motor fuel or gasohol in the State of  
4 Illinois: "As of July 1, 2000, the State of Illinois has  
5 eliminated the State's share of sales tax on motor fuel and  
6 gasohol through December 31, 2000. The price on this pump  
7 should reflect the elimination of the tax." The notice shall be  
8 printed in bold print on a sign that is no smaller than 4  
9 inches by 8 inches. The sign shall be clearly visible to  
10 customers. Any retailer who fails to post or maintain a  
11 required sign through December 31, 2000 is guilty of a petty  
12 offense for which the fine shall be \$500 per day per each  
13 retail premises where a violation occurs.

14 With respect to gasohol, as defined in the Use Tax Act, the  
15 tax imposed by this Act applies to (i) 70% of the proceeds of  
16 sales made on or after January 1, 1990, and before July 1,  
17 2003, (ii) 80% of the proceeds of sales made on or after July  
18 1, 2003 and on or before December 31, 2018, and (iii) 100% of  
19 the proceeds of sales made thereafter. If, at any time,  
20 however, the tax under this Act on sales of gasohol, as defined  
21 in the Use Tax Act, is imposed at the rate of 1.25%, then the  
22 tax imposed by this Act applies to 100% of the proceeds of  
23 sales of gasohol made during that time.

24 With respect to majority blended ethanol fuel, as defined  
25 in the Use Tax Act, the tax imposed by this Act does not apply  
26 to the proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2018 but applies to 100% of the proceeds of  
2 sales made thereafter.

3 With respect to biodiesel blends, as defined in the Use Tax  
4 Act, with no less than 1% and no more than 10% biodiesel, the  
5 tax imposed by this Act applies to (i) 80% of the proceeds of  
6 sales made on or after July 1, 2003 and on or before December  
7 31, 2018 and (ii) 100% of the proceeds of sales made  
8 thereafter. If, at any time, however, the tax under this Act on  
9 sales of biodiesel blends, as defined in the Use Tax Act, with  
10 no less than 1% and no more than 10% biodiesel is imposed at  
11 the rate of 1.25%, then the tax imposed by this Act applies to  
12 100% of the proceeds of sales of biodiesel blends with no less  
13 than 1% and no more than 10% biodiesel made during that time.

14 With respect to 100% biodiesel, as defined in the Use Tax  
15 Act, and biodiesel blends, as defined in the Use Tax Act, with  
16 more than 10% but no more than 99% biodiesel, the tax imposed  
17 by this Act does not apply to the proceeds of sales made on or  
18 after July 1, 2003 and on or before December 31, 2018 but  
19 applies to 100% of the proceeds of sales made thereafter.

20 With respect to food for human consumption that is to be  
21 consumed off the premises where it is sold (other than  
22 alcoholic beverages, soft drinks, and food that has been  
23 prepared for immediate consumption) and prescription and  
24 nonprescription medicines, drugs, medical appliances,  
25 modifications to a motor vehicle for the purpose of rendering  
26 it usable by a disabled person, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, the tax is imposed at the rate of 1%. For the purposes of  
3 this Section, until September 1, 2009: the term "soft drinks"  
4 means any complete, finished, ready-to-use, non-alcoholic  
5 drink, whether carbonated or not, including but not limited to  
6 soda water, cola, fruit juice, vegetable juice, carbonated  
7 water, and all other preparations commonly known as soft drinks  
8 of whatever kind or description that are contained in any  
9 closed or sealed bottle, can, carton, or container, regardless  
10 of size; but "soft drinks" does not include coffee, tea,  
11 non-carbonated water, infant formula, milk or milk products as  
12 defined in the Grade A Pasteurized Milk and Milk Products Act,  
13 or drinks containing 50% or more natural fruit or vegetable  
14 juice.

15 Notwithstanding any other provisions of this Act,  
16 beginning September 1, 2009, "soft drinks" means non-alcoholic  
17 beverages that contain natural or artificial sweeteners. "Soft  
18 drinks" do not include beverages that contain milk or milk  
19 products, soy, rice or similar milk substitutes, or greater  
20 than 50% of vegetable or fruit juice by volume.

21 Until August 1, 2009, and notwithstanding any other  
22 provisions of this Act, "food for human consumption that is to  
23 be consumed off the premises where it is sold" includes all  
24 food sold through a vending machine, except soft drinks and  
25 food products that are dispensed hot from a vending machine,  
26 regardless of the location of the vending machine. Beginning

1 August 1, 2009, and notwithstanding any other provisions of  
2 this Act, "food for human consumption that is to be consumed  
3 off the premises where it is sold" includes all food sold  
4 through a vending machine, except soft drinks, candy, and food  
5 products that are dispensed hot from a vending machine,  
6 regardless of the location of the vending machine.

7 Notwithstanding any other provisions of this Act,  
8 beginning September 1, 2009, "food for human consumption that  
9 is to be consumed off the premises where it is sold" does not  
10 include candy. For purposes of this Section, "candy" means a  
11 preparation of sugar, honey, or other natural or artificial  
12 sweeteners in combination with chocolate, fruits, nuts or other  
13 ingredients or flavorings in the form of bars, drops, or  
14 pieces. "Candy" does not include any preparation that contains  
15 flour or requires refrigeration.

16 Notwithstanding any other provisions of this Act,  
17 beginning September 1, 2009, "nonprescription medicines and  
18 drugs" does not include grooming and hygiene products. For  
19 purposes of this Section, "grooming and hygiene products"  
20 includes, but is not limited to, soaps and cleaning solutions,  
21 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
22 lotions and screens, unless those products are available by  
23 prescription only, regardless of whether the products meet the  
24 definition of "over-the-counter-drugs". For the purposes of  
25 this paragraph, "over-the-counter-drug" means a drug for human  
26 use that contains a label that identifies the product as a drug

1 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
2 label includes:

3 (A) A "Drug Facts" panel; or

4 (B) A statement of the "active ingredient(s)" with a  
5 list of those ingredients contained in the compound,  
6 substance or preparation.

7 Beginning on the effective date of this amendatory Act of  
8 the 98th General Assembly, "prescription and nonprescription  
9 medicines and drugs" includes medical cannabis purchased from a  
10 registered dispensing organization under the Compassionate Use  
11 of Medical Cannabis Pilot Program Act.

12 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

13 (35 ILCS 120/2d) (from Ch. 120, par. 441d)

14 Sec. 2d. Tax prepayment by motor fuel retailer.

15 (a) Any person engaged in the business of selling motor  
16 fuel at retail, as defined in the Motor Fuel Tax Law, and who  
17 is not a licensed distributor or supplier, as defined in the  
18 Motor Fuel Tax Law, shall prepay to his or her distributor,  
19 supplier, or other reseller of motor fuel a portion of the tax  
20 imposed by this Act if the distributor, supplier, or other  
21 reseller of motor fuel is registered under Section 2a or  
22 Section 2c of this Act. The prepayment requirement provided for  
23 in this Section does not apply to liquid propane gas.

24 (b) Beginning on July 1, 2000 and through December 31,  
25 2000, the Retailers' Occupation Tax paid to the distributor,

1 supplier, or other reseller shall be an amount equal to \$0.01  
2 per gallon of the motor fuel, except gasohol as defined in  
3 Section 2-10 of this Act which shall be an amount equal to  
4 \$0.01 per gallon, purchased from the distributor, supplier, or  
5 other reseller.

6 (c) Before July 1, 2000 and then beginning on January 1,  
7 2001 and through June 30, 2003, the Retailers' Occupation Tax  
8 paid to the distributor, supplier, or other reseller shall be  
9 an amount equal to \$0.04 per gallon of the motor fuel, except  
10 gasohol as defined in Section 2-10 of this Act which shall be  
11 an amount equal to \$0.03 per gallon, purchased from the  
12 distributor, supplier, or other reseller.

13 (d) Beginning July 1, 2003 and through December 31, 2010,  
14 the Retailers' Occupation Tax paid to the distributor,  
15 supplier, or other reseller shall be an amount equal to \$0.06  
16 per gallon of the motor fuel, except gasohol as defined in  
17 Section 2-10 of this Act which shall be an amount equal to  
18 \$0.05 per gallon, purchased from the distributor, supplier, or  
19 other reseller.

20 (e) Beginning on January 1, 2011 and thereafter, the  
21 Retailers' Occupation Tax paid to the distributor, supplier, or  
22 other reseller shall be at the rate established by the  
23 Department under this subsection. The rate shall be established  
24 by the Department on January 1 and July 1 of each year using  
25 the average selling price, as defined in Section 1 of this Act,  
26 per gallon of motor fuel sold in the State during the previous

1 6 months and multiplying that amount by 7.25% ~~6.25%~~ to  
2 determine the cents per gallon rate. In the case of biodiesel  
3 blends, as defined in Section 3-42 of the Use Tax Act, with no  
4 less than 1% and no more than 10% biodiesel, and in the case of  
5 gasohol, as defined in Section 3-40 of the Use Tax Act, the  
6 rate shall be 80% of the rate established by the Department  
7 under this subsection for motor fuel. The Department shall  
8 provide persons subject to this Section notice of the rate  
9 established under this subsection at least 20 days prior to  
10 each January 1 and July 1. Publication of the established rate  
11 on the Department's internet website shall constitute  
12 sufficient notice under this Section. The Department may use  
13 data derived from independent surveys conducted or accumulated  
14 by third parties to determine the average selling price per  
15 gallon of motor fuel sold in the State.

16 (f) Any person engaged in the business of selling motor  
17 fuel at retail shall be entitled to a credit against tax due  
18 under this Act in an amount equal to the tax paid to the  
19 distributor, supplier, or other reseller.

20 (g) Every distributor, supplier, or other reseller  
21 registered as provided in Section 2a or Section 2c of this Act  
22 shall remit the prepaid tax on all motor fuel that is due from  
23 any person engaged in the business of selling at retail motor  
24 fuel with the returns filed under Section 2f or Section 3 of  
25 this Act, but the vendors discount provided in Section 3 shall  
26 not apply to the amount of prepaid tax that is remitted. Any

1 distributor or supplier who fails to properly collect and remit  
2 the tax shall be liable for the tax. For purposes of this  
3 Section, the prepaid tax is due on invoiced gallons sold during  
4 a month by the 20th day of the following month.

5 (Source: P.A. 96-1384, eff. 7-29-10.)

6 (35 ILCS 120/3) (from Ch. 120, par. 442)

7 Sec. 3. Except as provided in this Section, on or before  
8 the twentieth day of each calendar month, every person engaged  
9 in the business of selling tangible personal property at retail  
10 in this State during the preceding calendar month shall file a  
11 return with the Department, stating:

12 1. The name of the seller;

13 2. His residence address and the address of his  
14 principal place of business and the address of the  
15 principal place of business (if that is a different  
16 address) from which he engages in the business of selling  
17 tangible personal property at retail in this State;

18 3. Total amount of receipts received by him during the  
19 preceding calendar month or quarter, as the case may be,  
20 from sales of tangible personal property, and from services  
21 furnished, by him during such preceding calendar month or  
22 quarter;

23 4. Total amount received by him during the preceding  
24 calendar month or quarter on charge and time sales of  
25 tangible personal property, and from services furnished,

1 by him prior to the month or quarter for which the return  
2 is filed;

3 5. Deductions allowed by law;

4 6. Gross receipts which were received by him during the  
5 preceding calendar month or quarter and upon the basis of  
6 which the tax is imposed;

7 7. The amount of credit provided in Section 2d of this  
8 Act;

9 8. The amount of tax due;

10 9. The signature of the taxpayer; and

11 10. Such other reasonable information as the  
12 Department may require.

13 If a taxpayer fails to sign a return within 30 days after  
14 the proper notice and demand for signature by the Department,  
15 the return shall be considered valid and any amount shown to be  
16 due on the return shall be deemed assessed.

17 Each return shall be accompanied by the statement of  
18 prepaid tax issued pursuant to Section 2e for which credit is  
19 claimed.

20 Prior to October 1, 2003, and on and after September 1,  
21 2004 a retailer may accept a Manufacturer's Purchase Credit  
22 certification from a purchaser in satisfaction of Use Tax as  
23 provided in Section 3-85 of the Use Tax Act if the purchaser  
24 provides the appropriate documentation as required by Section  
25 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
26 certification, accepted by a retailer prior to October 1, 2003

1 and on and after September 1, 2004 as provided in Section 3-85  
2 of the Use Tax Act, may be used by that retailer to satisfy  
3 Retailers' Occupation Tax liability in the amount claimed in  
4 the certification, not to exceed 7.25% ~~6.25%~~ of the receipts  
5 subject to tax from a qualifying purchase. A Manufacturer's  
6 Purchase Credit reported on any original or amended return  
7 filed under this Act after October 20, 2003 for reporting  
8 periods prior to September 1, 2004 shall be disallowed.  
9 Manufacturer's Purchaser Credit reported on annual returns due  
10 on or after January 1, 2005 will be disallowed for periods  
11 prior to September 1, 2004. No Manufacturer's Purchase Credit  
12 may be used after September 30, 2003 through August 31, 2004 to  
13 satisfy any tax liability imposed under this Act, including any  
14 audit liability.

15 The Department may require returns to be filed on a  
16 quarterly basis. If so required, a return for each calendar  
17 quarter shall be filed on or before the twentieth day of the  
18 calendar month following the end of such calendar quarter. The  
19 taxpayer shall also file a return with the Department for each  
20 of the first two months of each calendar quarter, on or before  
21 the twentieth day of the following calendar month, stating:

22 1. The name of the seller;

23 2. The address of the principal place of business from  
24 which he engages in the business of selling tangible  
25 personal property at retail in this State;

26 3. The total amount of taxable receipts received by him

1           during the preceding calendar month from sales of tangible  
2           personal property by him during such preceding calendar  
3           month, including receipts from charge and time sales, but  
4           less all deductions allowed by law;

5           4. The amount of credit provided in Section 2d of this  
6           Act;

7           5. The amount of tax due; and

8           6. Such other reasonable information as the Department  
9           may require.

10          Beginning on October 1, 2003, any person who is not a  
11          licensed distributor, importing distributor, or manufacturer,  
12          as defined in the Liquor Control Act of 1934, but is engaged in  
13          the business of selling, at retail, alcoholic liquor shall file  
14          a statement with the Department of Revenue, in a format and at  
15          a time prescribed by the Department, showing the total amount  
16          paid for alcoholic liquor purchased during the preceding month  
17          and such other information as is reasonably required by the  
18          Department. The Department may adopt rules to require that this  
19          statement be filed in an electronic or telephonic format. Such  
20          rules may provide for exceptions from the filing requirements  
21          of this paragraph. For the purposes of this paragraph, the term  
22          "alcoholic liquor" shall have the meaning prescribed in the  
23          Liquor Control Act of 1934.

24          Beginning on October 1, 2003, every distributor, importing  
25          distributor, and manufacturer of alcoholic liquor as defined in  
26          the Liquor Control Act of 1934, shall file a statement with the

1 Department of Revenue, no later than the 10th day of the month  
2 for the preceding month during which transactions occurred, by  
3 electronic means, showing the total amount of gross receipts  
4 from the sale of alcoholic liquor sold or distributed during  
5 the preceding month to purchasers; identifying the purchaser to  
6 whom it was sold or distributed; the purchaser's tax  
7 registration number; and such other information reasonably  
8 required by the Department. A distributor, importing  
9 distributor, or manufacturer of alcoholic liquor must  
10 personally deliver, mail, or provide by electronic means to  
11 each retailer listed on the monthly statement a report  
12 containing a cumulative total of that distributor's, importing  
13 distributor's, or manufacturer's total sales of alcoholic  
14 liquor to that retailer no later than the 10th day of the month  
15 for the preceding month during which the transaction occurred.  
16 The distributor, importing distributor, or manufacturer shall  
17 notify the retailer as to the method by which the distributor,  
18 importing distributor, or manufacturer will provide the sales  
19 information. If the retailer is unable to receive the sales  
20 information by electronic means, the distributor, importing  
21 distributor, or manufacturer shall furnish the sales  
22 information by personal delivery or by mail. For purposes of  
23 this paragraph, the term "electronic means" includes, but is  
24 not limited to, the use of a secure Internet website, e-mail,  
25 or facsimile.

26 If a total amount of less than \$1 is payable, refundable or

1     creditable, such amount shall be disregarded if it is less than  
2     50 cents and shall be increased to \$1 if it is 50 cents or more.

3           Beginning October 1, 1993, a taxpayer who has an average  
4     monthly tax liability of \$150,000 or more shall make all  
5     payments required by rules of the Department by electronic  
6     funds transfer. Beginning October 1, 1994, a taxpayer who has  
7     an average monthly tax liability of \$100,000 or more shall make  
8     all payments required by rules of the Department by electronic  
9     funds transfer. Beginning October 1, 1995, a taxpayer who has  
10    an average monthly tax liability of \$50,000 or more shall make  
11    all payments required by rules of the Department by electronic  
12    funds transfer. Beginning October 1, 2000, a taxpayer who has  
13    an annual tax liability of \$200,000 or more shall make all  
14    payments required by rules of the Department by electronic  
15    funds transfer. The term "annual tax liability" shall be the  
16    sum of the taxpayer's liabilities under this Act, and under all  
17    other State and local occupation and use tax laws administered  
18    by the Department, for the immediately preceding calendar year.  
19    The term "average monthly tax liability" shall be the sum of  
20    the taxpayer's liabilities under this Act, and under all other  
21    State and local occupation and use tax laws administered by the  
22    Department, for the immediately preceding calendar year  
23    divided by 12. Beginning on October 1, 2002, a taxpayer who has  
24    a tax liability in the amount set forth in subsection (b) of  
25    Section 2505-210 of the Department of Revenue Law shall make  
26    all payments required by rules of the Department by electronic

1 funds transfer.

2 Before August 1 of each year beginning in 1993, the  
3 Department shall notify all taxpayers required to make payments  
4 by electronic funds transfer. All taxpayers required to make  
5 payments by electronic funds transfer shall make those payments  
6 for a minimum of one year beginning on October 1.

7 Any taxpayer not required to make payments by electronic  
8 funds transfer may make payments by electronic funds transfer  
9 with the permission of the Department.

10 All taxpayers required to make payment by electronic funds  
11 transfer and any taxpayers authorized to voluntarily make  
12 payments by electronic funds transfer shall make those payments  
13 in the manner authorized by the Department.

14 The Department shall adopt such rules as are necessary to  
15 effectuate a program of electronic funds transfer and the  
16 requirements of this Section.

17 Any amount which is required to be shown or reported on any  
18 return or other document under this Act shall, if such amount  
19 is not a whole-dollar amount, be increased to the nearest  
20 whole-dollar amount in any case where the fractional part of a  
21 dollar is 50 cents or more, and decreased to the nearest  
22 whole-dollar amount where the fractional part of a dollar is  
23 less than 50 cents.

24 If the retailer is otherwise required to file a monthly  
25 return and if the retailer's average monthly tax liability to  
26 the Department does not exceed \$200, the Department may

1 authorize his returns to be filed on a quarter annual basis,  
2 with the return for January, February and March of a given year  
3 being due by April 20 of such year; with the return for April,  
4 May and June of a given year being due by July 20 of such year;  
5 with the return for July, August and September of a given year  
6 being due by October 20 of such year, and with the return for  
7 October, November and December of a given year being due by  
8 January 20 of the following year.

9 If the retailer is otherwise required to file a monthly or  
10 quarterly return and if the retailer's average monthly tax  
11 liability with the Department does not exceed \$50, the  
12 Department may authorize his returns to be filed on an annual  
13 basis, with the return for a given year being due by January 20  
14 of the following year.

15 Such quarter annual and annual returns, as to form and  
16 substance, shall be subject to the same requirements as monthly  
17 returns.

18 Notwithstanding any other provision in this Act concerning  
19 the time within which a retailer may file his return, in the  
20 case of any retailer who ceases to engage in a kind of business  
21 which makes him responsible for filing returns under this Act,  
22 such retailer shall file a final return under this Act with the  
23 Department not more than one month after discontinuing such  
24 business.

25 Where the same person has more than one business registered  
26 with the Department under separate registrations under this

1 Act, such person may not file each return that is due as a  
2 single return covering all such registered businesses, but  
3 shall file separate returns for each such registered business.

4 In addition, with respect to motor vehicles, watercraft,  
5 aircraft, and trailers that are required to be registered with  
6 an agency of this State, every retailer selling this kind of  
7 tangible personal property shall file, with the Department,  
8 upon a form to be prescribed and supplied by the Department, a  
9 separate return for each such item of tangible personal  
10 property which the retailer sells, except that if, in the same  
11 transaction, (i) a retailer of aircraft, watercraft, motor  
12 vehicles or trailers transfers more than one aircraft,  
13 watercraft, motor vehicle or trailer to another aircraft,  
14 watercraft, motor vehicle retailer or trailer retailer for the  
15 purpose of resale or (ii) a retailer of aircraft, watercraft,  
16 motor vehicles, or trailers transfers more than one aircraft,  
17 watercraft, motor vehicle, or trailer to a purchaser for use as  
18 a qualifying rolling stock as provided in Section 2-5 of this  
19 Act, then that seller may report the transfer of all aircraft,  
20 watercraft, motor vehicles or trailers involved in that  
21 transaction to the Department on the same uniform  
22 invoice-transaction reporting return form. For purposes of  
23 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
24 watercraft as defined in Section 3-2 of the Boat Registration  
25 and Safety Act, a personal watercraft, or any boat equipped  
26 with an inboard motor.

1 Any retailer who sells only motor vehicles, watercraft,  
2 aircraft, or trailers that are required to be registered with  
3 an agency of this State, so that all retailers' occupation tax  
4 liability is required to be reported, and is reported, on such  
5 transaction reporting returns and who is not otherwise required  
6 to file monthly or quarterly returns, need not file monthly or  
7 quarterly returns. However, those retailers shall be required  
8 to file returns on an annual basis.

9 The transaction reporting return, in the case of motor  
10 vehicles or trailers that are required to be registered with an  
11 agency of this State, shall be the same document as the Uniform  
12 Invoice referred to in Section 5-402 of The Illinois Vehicle  
13 Code and must show the name and address of the seller; the name  
14 and address of the purchaser; the amount of the selling price  
15 including the amount allowed by the retailer for traded-in  
16 property, if any; the amount allowed by the retailer for the  
17 traded-in tangible personal property, if any, to the extent to  
18 which Section 1 of this Act allows an exemption for the value  
19 of traded-in property; the balance payable after deducting such  
20 trade-in allowance from the total selling price; the amount of  
21 tax due from the retailer with respect to such transaction; the  
22 amount of tax collected from the purchaser by the retailer on  
23 such transaction (or satisfactory evidence that such tax is not  
24 due in that particular instance, if that is claimed to be the  
25 fact); the place and date of the sale; a sufficient  
26 identification of the property sold; such other information as

1 is required in Section 5-402 of The Illinois Vehicle Code, and  
2 such other information as the Department may reasonably  
3 require.

4 The transaction reporting return in the case of watercraft  
5 or aircraft must show the name and address of the seller; the  
6 name and address of the purchaser; the amount of the selling  
7 price including the amount allowed by the retailer for  
8 traded-in property, if any; the amount allowed by the retailer  
9 for the traded-in tangible personal property, if any, to the  
10 extent to which Section 1 of this Act allows an exemption for  
11 the value of traded-in property; the balance payable after  
12 deducting such trade-in allowance from the total selling price;  
13 the amount of tax due from the retailer with respect to such  
14 transaction; the amount of tax collected from the purchaser by  
15 the retailer on such transaction (or satisfactory evidence that  
16 such tax is not due in that particular instance, if that is  
17 claimed to be the fact); the place and date of the sale, a  
18 sufficient identification of the property sold, and such other  
19 information as the Department may reasonably require.

20 Such transaction reporting return shall be filed not later  
21 than 20 days after the day of delivery of the item that is  
22 being sold, but may be filed by the retailer at any time sooner  
23 than that if he chooses to do so. The transaction reporting  
24 return and tax remittance or proof of exemption from the  
25 Illinois use tax may be transmitted to the Department by way of  
26 the State agency with which, or State officer with whom the

1 tangible personal property must be titled or registered (if  
2 titling or registration is required) if the Department and such  
3 agency or State officer determine that this procedure will  
4 expedite the processing of applications for title or  
5 registration.

6 With each such transaction reporting return, the retailer  
7 shall remit the proper amount of tax due (or shall submit  
8 satisfactory evidence that the sale is not taxable if that is  
9 the case), to the Department or its agents, whereupon the  
10 Department shall issue, in the purchaser's name, a use tax  
11 receipt (or a certificate of exemption if the Department is  
12 satisfied that the particular sale is tax exempt) which such  
13 purchaser may submit to the agency with which, or State officer  
14 with whom, he must title or register the tangible personal  
15 property that is involved (if titling or registration is  
16 required) in support of such purchaser's application for an  
17 Illinois certificate or other evidence of title or registration  
18 to such tangible personal property.

19 No retailer's failure or refusal to remit tax under this  
20 Act precludes a user, who has paid the proper tax to the  
21 retailer, from obtaining his certificate of title or other  
22 evidence of title or registration (if titling or registration  
23 is required) upon satisfying the Department that such user has  
24 paid the proper tax (if tax is due) to the retailer. The  
25 Department shall adopt appropriate rules to carry out the  
26 mandate of this paragraph.

1           If the user who would otherwise pay tax to the retailer  
2 wants the transaction reporting return filed and the payment of  
3 the tax or proof of exemption made to the Department before the  
4 retailer is willing to take these actions and such user has not  
5 paid the tax to the retailer, such user may certify to the fact  
6 of such delay by the retailer and may (upon the Department  
7 being satisfied of the truth of such certification) transmit  
8 the information required by the transaction reporting return  
9 and the remittance for tax or proof of exemption directly to  
10 the Department and obtain his tax receipt or exemption  
11 determination, in which event the transaction reporting return  
12 and tax remittance (if a tax payment was required) shall be  
13 credited by the Department to the proper retailer's account  
14 with the Department, but without the 2.1% or 1.75% discount  
15 provided for in this Section being allowed. When the user pays  
16 the tax directly to the Department, he shall pay the tax in the  
17 same amount and in the same form in which it would be remitted  
18 if the tax had been remitted to the Department by the retailer.

19           Refunds made by the seller during the preceding return  
20 period to purchasers, on account of tangible personal property  
21 returned to the seller, shall be allowed as a deduction under  
22 subdivision 5 of his monthly or quarterly return, as the case  
23 may be, in case the seller had theretofore included the  
24 receipts from the sale of such tangible personal property in a  
25 return filed by him and had paid the tax imposed by this Act  
26 with respect to such receipts.

1           Where the seller is a corporation, the return filed on  
2 behalf of such corporation shall be signed by the president,  
3 vice-president, secretary or treasurer or by the properly  
4 accredited agent of such corporation.

5           Where the seller is a limited liability company, the return  
6 filed on behalf of the limited liability company shall be  
7 signed by a manager, member, or properly accredited agent of  
8 the limited liability company.

9           Except as provided in this Section, the retailer filing the  
10 return under this Section shall, at the time of filing such  
11 return, pay to the Department the amount of tax imposed by this  
12 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
13 on and after January 1, 1990, or \$5 per calendar year,  
14 whichever is greater, which is allowed to reimburse the  
15 retailer for the expenses incurred in keeping records,  
16 preparing and filing returns, remitting the tax and supplying  
17 data to the Department on request. Any prepayment made pursuant  
18 to Section 2d of this Act shall be included in the amount on  
19 which such 2.1% or 1.75% discount is computed. In the case of  
20 retailers who report and pay the tax on a transaction by  
21 transaction basis, as provided in this Section, such discount  
22 shall be taken with each such tax remittance instead of when  
23 such retailer files his periodic return. The Department may  
24 disallow the discount for retailers whose certificate of  
25 registration is revoked at the time the return is filed, but  
26 only if the Department's decision to revoke the certificate of

1 registration has become final.

2 Before October 1, 2000, if the taxpayer's average monthly  
3 tax liability to the Department under this Act, the Use Tax  
4 Act, the Service Occupation Tax Act, and the Service Use Tax  
5 Act, excluding any liability for prepaid sales tax to be  
6 remitted in accordance with Section 2d of this Act, was \$10,000  
7 or more during the preceding 4 complete calendar quarters, he  
8 shall file a return with the Department each month by the 20th  
9 day of the month next following the month during which such tax  
10 liability is incurred and shall make payments to the Department  
11 on or before the 7th, 15th, 22nd and last day of the month  
12 during which such liability is incurred. On and after October  
13 1, 2000, if the taxpayer's average monthly tax liability to the  
14 Department under this Act, the Use Tax Act, the Service  
15 Occupation Tax Act, and the Service Use Tax Act, excluding any  
16 liability for prepaid sales tax to be remitted in accordance  
17 with Section 2d of this Act, was \$20,000 or more during the  
18 preceding 4 complete calendar quarters, he shall file a return  
19 with the Department each month by the 20th day of the month  
20 next following the month during which such tax liability is  
21 incurred and shall make payment to the Department on or before  
22 the 7th, 15th, 22nd and last day of the month during which such  
23 liability is incurred. If the month during which such tax  
24 liability is incurred began prior to January 1, 1985, each  
25 payment shall be in an amount equal to 1/4 of the taxpayer's  
26 actual liability for the month or an amount set by the

1 Department not to exceed 1/4 of the average monthly liability  
2 of the taxpayer to the Department for the preceding 4 complete  
3 calendar quarters (excluding the month of highest liability and  
4 the month of lowest liability in such 4 quarter period). If the  
5 month during which such tax liability is incurred begins on or  
6 after January 1, 1985 and prior to January 1, 1987, each  
7 payment shall be in an amount equal to 22.5% of the taxpayer's  
8 actual liability for the month or 27.5% of the taxpayer's  
9 liability for the same calendar month of the preceding year. If  
10 the month during which such tax liability is incurred begins on  
11 or after January 1, 1987 and prior to January 1, 1988, each  
12 payment shall be in an amount equal to 22.5% of the taxpayer's  
13 actual liability for the month or 26.25% of the taxpayer's  
14 liability for the same calendar month of the preceding year. If  
15 the month during which such tax liability is incurred begins on  
16 or after January 1, 1988, and prior to January 1, 1989, or  
17 begins on or after January 1, 1996, each payment shall be in an  
18 amount equal to 22.5% of the taxpayer's actual liability for  
19 the month or 25% of the taxpayer's liability for the same  
20 calendar month of the preceding year. If the month during which  
21 such tax liability is incurred begins on or after January 1,  
22 1989, and prior to January 1, 1996, each payment shall be in an  
23 amount equal to 22.5% of the taxpayer's actual liability for  
24 the month or 25% of the taxpayer's liability for the same  
25 calendar month of the preceding year or 100% of the taxpayer's  
26 actual liability for the quarter monthly reporting period. The

1 amount of such quarter monthly payments shall be credited  
2 against the final tax liability of the taxpayer's return for  
3 that month. Before October 1, 2000, once applicable, the  
4 requirement of the making of quarter monthly payments to the  
5 Department by taxpayers having an average monthly tax liability  
6 of \$10,000 or more as determined in the manner provided above  
7 shall continue until such taxpayer's average monthly liability  
8 to the Department during the preceding 4 complete calendar  
9 quarters (excluding the month of highest liability and the  
10 month of lowest liability) is less than \$9,000, or until such  
11 taxpayer's average monthly liability to the Department as  
12 computed for each calendar quarter of the 4 preceding complete  
13 calendar quarter period is less than \$10,000. However, if a  
14 taxpayer can show the Department that a substantial change in  
15 the taxpayer's business has occurred which causes the taxpayer  
16 to anticipate that his average monthly tax liability for the  
17 reasonably foreseeable future will fall below the \$10,000  
18 threshold stated above, then such taxpayer may petition the  
19 Department for a change in such taxpayer's reporting status. On  
20 and after October 1, 2000, once applicable, the requirement of  
21 the making of quarter monthly payments to the Department by  
22 taxpayers having an average monthly tax liability of \$20,000 or  
23 more as determined in the manner provided above shall continue  
24 until such taxpayer's average monthly liability to the  
25 Department during the preceding 4 complete calendar quarters  
26 (excluding the month of highest liability and the month of

1 lowest liability) is less than \$19,000 or until such taxpayer's  
2 average monthly liability to the Department as computed for  
3 each calendar quarter of the 4 preceding complete calendar  
4 quarter period is less than \$20,000. However, if a taxpayer can  
5 show the Department that a substantial change in the taxpayer's  
6 business has occurred which causes the taxpayer to anticipate  
7 that his average monthly tax liability for the reasonably  
8 foreseeable future will fall below the \$20,000 threshold stated  
9 above, then such taxpayer may petition the Department for a  
10 change in such taxpayer's reporting status. The Department  
11 shall change such taxpayer's reporting status unless it finds  
12 that such change is seasonal in nature and not likely to be  
13 long term. If any such quarter monthly payment is not paid at  
14 the time or in the amount required by this Section, then the  
15 taxpayer shall be liable for penalties and interest on the  
16 difference between the minimum amount due as a payment and the  
17 amount of such quarter monthly payment actually and timely  
18 paid, except insofar as the taxpayer has previously made  
19 payments for that month to the Department in excess of the  
20 minimum payments previously due as provided in this Section.  
21 The Department shall make reasonable rules and regulations to  
22 govern the quarter monthly payment amount and quarter monthly  
23 payment dates for taxpayers who file on other than a calendar  
24 monthly basis.

25 The provisions of this paragraph apply before October 1,  
26 2001. Without regard to whether a taxpayer is required to make

1 quarter monthly payments as specified above, any taxpayer who  
2 is required by Section 2d of this Act to collect and remit  
3 prepaid taxes and has collected prepaid taxes which average in  
4 excess of \$25,000 per month during the preceding 2 complete  
5 calendar quarters, shall file a return with the Department as  
6 required by Section 2f and shall make payments to the  
7 Department on or before the 7th, 15th, 22nd and last day of the  
8 month during which such liability is incurred. If the month  
9 during which such tax liability is incurred began prior to the  
10 effective date of this amendatory Act of 1985, each payment  
11 shall be in an amount not less than 22.5% of the taxpayer's  
12 actual liability under Section 2d. If the month during which  
13 such tax liability is incurred begins on or after January 1,  
14 1986, each payment shall be in an amount equal to 22.5% of the  
15 taxpayer's actual liability for the month or 27.5% of the  
16 taxpayer's liability for the same calendar month of the  
17 preceding calendar year. If the month during which such tax  
18 liability is incurred begins on or after January 1, 1987, each  
19 payment shall be in an amount equal to 22.5% of the taxpayer's  
20 actual liability for the month or 26.25% of the taxpayer's  
21 liability for the same calendar month of the preceding year.  
22 The amount of such quarter monthly payments shall be credited  
23 against the final tax liability of the taxpayer's return for  
24 that month filed under this Section or Section 2f, as the case  
25 may be. Once applicable, the requirement of the making of  
26 quarter monthly payments to the Department pursuant to this

1 paragraph shall continue until such taxpayer's average monthly  
2 prepaid tax collections during the preceding 2 complete  
3 calendar quarters is \$25,000 or less. If any such quarter  
4 monthly payment is not paid at the time or in the amount  
5 required, the taxpayer shall be liable for penalties and  
6 interest on such difference, except insofar as the taxpayer has  
7 previously made payments for that month in excess of the  
8 minimum payments previously due.

9 The provisions of this paragraph apply on and after October  
10 1, 2001. Without regard to whether a taxpayer is required to  
11 make quarter monthly payments as specified above, any taxpayer  
12 who is required by Section 2d of this Act to collect and remit  
13 prepaid taxes and has collected prepaid taxes that average in  
14 excess of \$20,000 per month during the preceding 4 complete  
15 calendar quarters shall file a return with the Department as  
16 required by Section 2f and shall make payments to the  
17 Department on or before the 7th, 15th, 22nd and last day of the  
18 month during which the liability is incurred. Each payment  
19 shall be in an amount equal to 22.5% of the taxpayer's actual  
20 liability for the month or 25% of the taxpayer's liability for  
21 the same calendar month of the preceding year. The amount of  
22 the quarter monthly payments shall be credited against the  
23 final tax liability of the taxpayer's return for that month  
24 filed under this Section or Section 2f, as the case may be.  
25 Once applicable, the requirement of the making of quarter  
26 monthly payments to the Department pursuant to this paragraph

1 shall continue until the taxpayer's average monthly prepaid tax  
2 collections during the preceding 4 complete calendar quarters  
3 (excluding the month of highest liability and the month of  
4 lowest liability) is less than \$19,000 or until such taxpayer's  
5 average monthly liability to the Department as computed for  
6 each calendar quarter of the 4 preceding complete calendar  
7 quarters is less than \$20,000. If any such quarter monthly  
8 payment is not paid at the time or in the amount required, the  
9 taxpayer shall be liable for penalties and interest on such  
10 difference, except insofar as the taxpayer has previously made  
11 payments for that month in excess of the minimum payments  
12 previously due.

13 If any payment provided for in this Section exceeds the  
14 taxpayer's liabilities under this Act, the Use Tax Act, the  
15 Service Occupation Tax Act and the Service Use Tax Act, as  
16 shown on an original monthly return, the Department shall, if  
17 requested by the taxpayer, issue to the taxpayer a credit  
18 memorandum no later than 30 days after the date of payment. The  
19 credit evidenced by such credit memorandum may be assigned by  
20 the taxpayer to a similar taxpayer under this Act, the Use Tax  
21 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
22 in accordance with reasonable rules and regulations to be  
23 prescribed by the Department. If no such request is made, the  
24 taxpayer may credit such excess payment against tax liability  
25 subsequently to be remitted to the Department under this Act,  
26 the Use Tax Act, the Service Occupation Tax Act or the Service

1 Use Tax Act, in accordance with reasonable rules and  
2 regulations prescribed by the Department. If the Department  
3 subsequently determined that all or any part of the credit  
4 taken was not actually due to the taxpayer, the taxpayer's 2.1%  
5 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
6 of the difference between the credit taken and that actually  
7 due, and that taxpayer shall be liable for penalties and  
8 interest on such difference.

9 If a retailer of motor fuel is entitled to a credit under  
10 Section 2d of this Act which exceeds the taxpayer's liability  
11 to the Department under this Act for the month which the  
12 taxpayer is filing a return, the Department shall issue the  
13 taxpayer a credit memorandum for the excess.

14 Beginning January 1, 1990, each month the Department shall  
15 pay into the Local Government Tax Fund, a special fund in the  
16 State treasury which is hereby created, the net revenue  
17 realized for the preceding month from the 1% tax on sales of  
18 food for human consumption which is to be consumed off the  
19 premises where it is sold (other than alcoholic beverages, soft  
20 drinks and food which has been prepared for immediate  
21 consumption) and prescription and nonprescription medicines,  
22 drugs, medical appliances and insulin, urine testing  
23 materials, syringes and needles used by diabetics.

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the County and Mass Transit District Fund, a special  
26 fund in the State treasury which is hereby created, 4% of the

1 net revenue realized for the preceding month from the 7.25%  
2 ~~6.25%~~ general rate.

3 Beginning August 1, 2000, each month the Department shall  
4 pay into the County and Mass Transit District Fund 20% of the  
5 net revenue realized for the preceding month from the 1.25%  
6 rate on the selling price of motor fuel and gasohol. Beginning  
7 September 1, 2010, each month the Department shall pay into the  
8 County and Mass Transit District Fund 20% of the net revenue  
9 realized for the preceding month from the 1.25% rate on the  
10 selling price of sales tax holiday items.

11 Beginning January 1, 1990, each month the Department shall  
12 pay into the Local Government Tax Fund 16% of the net revenue  
13 realized for the preceding month from the 7.25% ~~6.25%~~ general  
14 rate on the selling price of tangible personal property.

15 Beginning August 1, 2000, each month the Department shall  
16 pay into the Local Government Tax Fund 80% of the net revenue  
17 realized for the preceding month from the 1.25% rate on the  
18 selling price of motor fuel and gasohol. Beginning September 1,  
19 2010, each month the Department shall pay into the Local  
20 Government Tax Fund 80% of the net revenue realized for the  
21 preceding month from the 1.25% rate on the selling price of  
22 sales tax holiday items.

23 Beginning October 1, 2009, each month the Department shall  
24 pay into the Capital Projects Fund an amount that is equal to  
25 an amount estimated by the Department to represent 80% of the  
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had  
2 been taxed at a rate of 1% prior to September 1, 2009 but that  
3 are now taxed at 7.25% ~~6.25%~~.

4 Beginning July 1, 2011, each month the Department shall pay  
5 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
6 realized for the preceding month from the 7.25% ~~6.25%~~ general  
7 rate on the selling price of sorbents used in Illinois in the  
8 process of sorbent injection as used to comply with the  
9 Environmental Protection Act or the federal Clean Air Act, but  
10 the total payment into the Clean Air Act (CAA) Permit Fund  
11 under this Act and the Use Tax Act shall not exceed \$2,000,000  
12 in any fiscal year.

13 Beginning August 1, 2015, each month the Department shall  
14 pay into the School Infrastructure Support Fund 13% of the net  
15 revenue realized for the preceding month from the 7.25% general  
16 rate on the selling price of tangible personal property, other  
17 than (i) sorbents used in Illinois in the process of sorbent  
18 injection as used to comply with the Environmental Protection  
19 Act or the federal Clean Air Act, (ii) candy, (iii) grooming  
20 and hygiene products, and (iv) soft drinks.

21 Beginning July 1, 2013, each month the Department shall pay  
22 into the Underground Storage Tank Fund from the proceeds  
23 collected under this Act, the Use Tax Act, the Service Use Tax  
24 Act, and the Service Occupation Tax Act an amount equal to the  
25 average monthly deficit in the Underground Storage Tank Fund  
26 during the prior year, as certified annually by the Illinois

1 Environmental Protection Agency, but the total payment into the  
2 Underground Storage Tank Fund under this Act, the Use Tax Act,  
3 the Service Use Tax Act, and the Service Occupation Tax Act  
4 shall not exceed \$18,000,000 in any State fiscal year. As used  
5 in this paragraph, the "average monthly deficit" shall be equal  
6 to the difference between the average monthly claims for  
7 payment by the fund and the average monthly revenues deposited  
8 into the fund, excluding payments made pursuant to this  
9 paragraph.

10 Of the remainder of the moneys received by the Department  
11 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
12 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
13 and after July 1, 1989, 3.8% thereof shall be paid into the  
14 Build Illinois Fund; provided, however, that if in any fiscal  
15 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
16 may be, of the moneys received by the Department and required  
17 to be paid into the Build Illinois Fund pursuant to this Act,  
18 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
19 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
20 being hereinafter called the "Tax Acts" and such aggregate of  
21 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
22 called the "Tax Act Amount", and (2) the amount transferred to  
23 the Build Illinois Fund from the State and Local Sales Tax  
24 Reform Fund shall be less than the Annual Specified Amount (as  
25 hereinafter defined), an amount equal to the difference shall  
26 be immediately paid into the Build Illinois Fund from other

1 moneys received by the Department pursuant to the Tax Acts; the  
2 "Annual Specified Amount" means the amounts specified below for  
3 fiscal years 1986 through 1993:

4	Fiscal Year	Annual Specified Amount
5	1986	\$54,800,000
6	1987	\$76,650,000
7	1988	\$80,480,000
8	1989	\$88,510,000
9	1990	\$115,330,000
10	1991	\$145,470,000
11	1992	\$182,730,000
12	1993	\$206,520,000;

13 and means the Certified Annual Debt Service Requirement (as  
14 defined in Section 13 of the Build Illinois Bond Act) or the  
15 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
16 each fiscal year thereafter; and further provided, that if on  
17 the last business day of any month the sum of (1) the Tax Act  
18 Amount required to be deposited into the Build Illinois Bond  
19 Account in the Build Illinois Fund during such month and (2)  
20 the amount transferred to the Build Illinois Fund from the  
21 State and Local Sales Tax Reform Fund shall have been less than  
22 1/12 of the Annual Specified Amount, an amount equal to the  
23 difference shall be immediately paid into the Build Illinois  
24 Fund from other moneys received by the Department pursuant to  
25 the Tax Acts; and, further provided, that in no event shall the  
26 payments required under the preceding proviso result in

1 aggregate payments into the Build Illinois Fund pursuant to  
2 this clause (b) for any fiscal year in excess of the greater of  
3 (i) the Tax Act Amount or (ii) the Annual Specified Amount for  
4 such fiscal year. The amounts payable into the Build Illinois  
5 Fund under clause (b) of the first sentence in this paragraph  
6 shall be payable only until such time as the aggregate amount  
7 on deposit under each trust indenture securing Bonds issued and  
8 outstanding pursuant to the Build Illinois Bond Act is  
9 sufficient, taking into account any future investment income,  
10 to fully provide, in accordance with such indenture, for the  
11 defeasance of or the payment of the principal of, premium, if  
12 any, and interest on the Bonds secured by such indenture and on  
13 any Bonds expected to be issued thereafter and all fees and  
14 costs payable with respect thereto, all as certified by the  
15 Director of the Bureau of the Budget (now Governor's Office of  
16 Management and Budget). If on the last business day of any  
17 month in which Bonds are outstanding pursuant to the Build  
18 Illinois Bond Act, the aggregate of moneys deposited in the  
19 Build Illinois Bond Account in the Build Illinois Fund in such  
20 month shall be less than the amount required to be transferred  
21 in such month from the Build Illinois Bond Account to the Build  
22 Illinois Bond Retirement and Interest Fund pursuant to Section  
23 13 of the Build Illinois Bond Act, an amount equal to such  
24 deficiency shall be immediately paid from other moneys received  
25 by the Department pursuant to the Tax Acts to the Build  
26 Illinois Fund; provided, however, that any amounts paid to the

1 Build Illinois Fund in any fiscal year pursuant to this  
 2 sentence shall be deemed to constitute payments pursuant to  
 3 clause (b) of the first sentence of this paragraph and shall  
 4 reduce the amount otherwise payable for such fiscal year  
 5 pursuant to that clause (b). The moneys received by the  
 6 Department pursuant to this Act and required to be deposited  
 7 into the Build Illinois Fund are subject to the pledge, claim  
 8 and charge set forth in Section 12 of the Build Illinois Bond  
 9 Act.

10 Subject to payment of amounts into the Build Illinois Fund  
 11 as provided in the preceding paragraph or in any amendment  
 12 thereto hereafter enacted, the following specified monthly  
 13 installment of the amount requested in the certificate of the  
 14 Chairman of the Metropolitan Pier and Exposition Authority  
 15 provided under Section 8.25f of the State Finance Act, but not  
 16 in excess of sums designated as "Total Deposit", shall be  
 17 deposited in the aggregate from collections under Section 9 of  
 18 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
 19 9 of the Service Occupation Tax Act, and Section 3 of the  
 20 Retailers' Occupation Tax Act into the McCormick Place  
 21 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	246,000,000

1	2022	260,000,000
2	2023	275,000,000
3	2024	275,000,000
4	2025	275,000,000
5	2026	279,000,000
6	2027	292,000,000
7	2028	307,000,000
8	2029	322,000,000
9	2030	338,000,000
10	2031	350,000,000
11	2032	350,000,000

12                   and  
13                   each fiscal year  
14                   thereafter that bonds  
15                   are outstanding under  
16                   Section 13.2 of the  
17                   Metropolitan Pier and  
18                   Exposition Authority Act,  
19                   but not after fiscal year 2060.

20                   Beginning July 20, 1993 and in each month of each fiscal  
21                   year thereafter, one-eighth of the amount requested in the  
22                   certificate of the Chairman of the Metropolitan Pier and  
23                   Exposition Authority for that fiscal year, less the amount  
24                   deposited into the McCormick Place Expansion Project Fund by  
25                   the State Treasurer in the respective month under subsection  
26                   (g) of Section 13 of the Metropolitan Pier and Exposition

1 Authority Act, plus cumulative deficiencies in the deposits  
2 required under this Section for previous months and years,  
3 shall be deposited into the McCormick Place Expansion Project  
4 Fund, until the full amount requested for the fiscal year, but  
5 not in excess of the amount specified above as "Total Deposit",  
6 has been deposited.

7 Subject to payment of amounts into the Build Illinois Fund  
8 and the McCormick Place Expansion Project Fund pursuant to the  
9 preceding paragraphs or in any amendments thereto hereafter  
10 enacted, beginning July 1, 1993 and ending on September 30,  
11 2013, the Department shall each month pay into the Illinois Tax  
12 Increment Fund 0.27% of 67% ~~80%~~ of the net revenue realized for  
13 the preceding month from the 7.25% ~~6.25%~~ general rate on the  
14 selling price of tangible personal property.

15 Subject to payment of amounts into the Build Illinois Fund  
16 and the McCormick Place Expansion Project Fund pursuant to the  
17 preceding paragraphs or in any amendments thereto hereafter  
18 enacted, beginning with the receipt of the first report of  
19 taxes paid by an eligible business and continuing for a 25-year  
20 period, the Department shall each month pay into the Energy  
21 Infrastructure Fund 67% ~~80%~~ of the net revenue realized from  
22 the 7.25% ~~6.25%~~ general rate on the selling price of  
23 Illinois-mined coal that was sold to an eligible business. For  
24 purposes of this paragraph, the term "eligible business" means  
25 a new electric generating facility certified pursuant to  
26 Section 605-332 of the Department of Commerce and Economic

1 Opportunity Law of the Civil Administrative Code of Illinois.

2 Subject to payment of amounts into the Build Illinois Fund,  
3 the McCormick Place Expansion Project Fund, the Illinois Tax  
4 Increment Fund, and the Energy Infrastructure Fund pursuant to  
5 the preceding paragraphs or in any amendments to this Section  
6 hereafter enacted, beginning on the first day of the first  
7 calendar month to occur on or after the effective date of this  
8 amendatory Act of the 98th General Assembly, each month, from  
9 the collections made under Section 9 of the Use Tax Act,  
10 Section 9 of the Service Use Tax Act, Section 9 of the Service  
11 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
12 Tax Act, the Department shall pay into the Tax Compliance and  
13 Administration Fund, to be used, subject to appropriation, to  
14 fund additional auditors and compliance personnel at the  
15 Department of Revenue, an amount equal to  $\frac{1}{12}$  of 5% of 80% of  
16 the cash receipts collected during the preceding fiscal year by  
17 the Audit Bureau of the Department under the Use Tax Act, the  
18 Service Use Tax Act, the Service Occupation Tax Act, the  
19 Retailers' Occupation Tax Act, and associated local occupation  
20 and use taxes administered by the Department.

21 Of the remainder of the moneys received by the Department  
22 pursuant to this Act, 75% thereof shall be paid into the State  
23 Treasury and 25% shall be reserved in a special account and  
24 used only for the transfer to the Common School Fund as part of  
25 the monthly transfer from the General Revenue Fund in  
26 accordance with Section 8a of the State Finance Act.

1           The Department may, upon separate written notice to a  
2 taxpayer, require the taxpayer to prepare and file with the  
3 Department on a form prescribed by the Department within not  
4 less than 60 days after receipt of the notice an annual  
5 information return for the tax year specified in the notice.  
6 Such annual return to the Department shall include a statement  
7 of gross receipts as shown by the retailer's last Federal  
8 income tax return. If the total receipts of the business as  
9 reported in the Federal income tax return do not agree with the  
10 gross receipts reported to the Department of Revenue for the  
11 same period, the retailer shall attach to his annual return a  
12 schedule showing a reconciliation of the 2 amounts and the  
13 reasons for the difference. The retailer's annual return to the  
14 Department shall also disclose the cost of goods sold by the  
15 retailer during the year covered by such return, opening and  
16 closing inventories of such goods for such year, costs of goods  
17 used from stock or taken from stock and given away by the  
18 retailer during such year, payroll information of the  
19 retailer's business during such year and any additional  
20 reasonable information which the Department deems would be  
21 helpful in determining the accuracy of the monthly, quarterly  
22 or annual returns filed by such retailer as provided for in  
23 this Section.

24           If the annual information return required by this Section  
25 is not filed when and as required, the taxpayer shall be liable  
26 as follows:

1           (i) Until January 1, 1994, the taxpayer shall be liable  
2           for a penalty equal to 1/6 of 1% of the tax due from such  
3           taxpayer under this Act during the period to be covered by  
4           the annual return for each month or fraction of a month  
5           until such return is filed as required, the penalty to be  
6           assessed and collected in the same manner as any other  
7           penalty provided for in this Act.

8           (ii) On and after January 1, 1994, the taxpayer shall  
9           be liable for a penalty as described in Section 3-4 of the  
10          Uniform Penalty and Interest Act.

11          The chief executive officer, proprietor, owner or highest  
12          ranking manager shall sign the annual return to certify the  
13          accuracy of the information contained therein. Any person who  
14          willfully signs the annual return containing false or  
15          inaccurate information shall be guilty of perjury and punished  
16          accordingly. The annual return form prescribed by the  
17          Department shall include a warning that the person signing the  
18          return may be liable for perjury.

19          The provisions of this Section concerning the filing of an  
20          annual information return do not apply to a retailer who is not  
21          required to file an income tax return with the United States  
22          Government.

23          As soon as possible after the first day of each month, upon  
24          certification of the Department of Revenue, the Comptroller  
25          shall order transferred and the Treasurer shall transfer from  
26          the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act  
2 for the second preceding month. Beginning April 1, 2000, this  
3 transfer is no longer required and shall not be made.

4 Net revenue realized for a month shall be the revenue  
5 collected by the State pursuant to this Act, less the amount  
6 paid out during that month as refunds to taxpayers for  
7 overpayment of liability.

8 For greater simplicity of administration, manufacturers,  
9 importers and wholesalers whose products are sold at retail in  
10 Illinois by numerous retailers, and who wish to do so, may  
11 assume the responsibility for accounting and paying to the  
12 Department all tax accruing under this Act with respect to such  
13 sales, if the retailers who are affected do not make written  
14 objection to the Department to this arrangement.

15 Any person who promotes, organizes, provides retail  
16 selling space for concessionaires or other types of sellers at  
17 the Illinois State Fair, DuQuoin State Fair, county fairs,  
18 local fairs, art shows, flea markets and similar exhibitions or  
19 events, including any transient merchant as defined by Section  
20 2 of the Transient Merchant Act of 1987, is required to file a  
21 report with the Department providing the name of the merchant's  
22 business, the name of the person or persons engaged in  
23 merchant's business, the permanent address and Illinois  
24 Retailers Occupation Tax Registration Number of the merchant,  
25 the dates and location of the event and other reasonable  
26 information that the Department may require. The report must be

1 filed not later than the 20th day of the month next following  
2 the month during which the event with retail sales was held.  
3 Any person who fails to file a report required by this Section  
4 commits a business offense and is subject to a fine not to  
5 exceed \$250.

6 Any person engaged in the business of selling tangible  
7 personal property at retail as a concessionaire or other type  
8 of seller at the Illinois State Fair, county fairs, art shows,  
9 flea markets and similar exhibitions or events, or any  
10 transient merchants, as defined by Section 2 of the Transient  
11 Merchant Act of 1987, may be required to make a daily report of  
12 the amount of such sales to the Department and to make a daily  
13 payment of the full amount of tax due. The Department shall  
14 impose this requirement when it finds that there is a  
15 significant risk of loss of revenue to the State at such an  
16 exhibition or event. Such a finding shall be based on evidence  
17 that a substantial number of concessionaires or other sellers  
18 who are not residents of Illinois will be engaging in the  
19 business of selling tangible personal property at retail at the  
20 exhibition or event, or other evidence of a significant risk of  
21 loss of revenue to the State. The Department shall notify  
22 concessionaires and other sellers affected by the imposition of  
23 this requirement. In the absence of notification by the  
24 Department, the concessionaires and other sellers shall file  
25 their returns as otherwise required in this Section.

26 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,

1 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
2 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)

3 (35 ILCS 120/51) (from Ch. 120, par. 4441)

4 Sec. 51. Building materials exemption; High Impact  
5 Business.

6 (a) Beginning January 1, 1995, each retailer who makes a  
7 sale of building materials that will be incorporated into a  
8 High Impact Business location as designated by the Department  
9 of Commerce and Economic Opportunity under Section 5.5 of the  
10 Illinois Enterprise Zone Act may deduct receipts from such  
11 sales when calculating only the 7.25% ~~6.25%~~ State rate of tax  
12 imposed by this Act. Beginning on the effective date of this  
13 amendatory Act of 1995, a retailer may also deduct receipts  
14 from such sales when calculating any applicable local taxes.  
15 However, until the effective date of this amendatory Act of  
16 1995, a retailer may file claims for credit or refund to  
17 recover the amount of any applicable local tax paid on such  
18 sales. No retailer who is eligible for the deduction or credit  
19 under Section 5k of this Act for making a sale of building  
20 materials to be incorporated into real estate in an enterprise  
21 zone by rehabilitation, remodeling or new construction shall be  
22 eligible for the deduction or credit authorized under this  
23 Section.

24 (b) On and after July 1, 2013, in addition to any other  
25 requirements to document the exemption allowed under this

1 Section, the retailer must obtain from the purchaser the  
2 purchaser's High Impact Business Building Materials Exemption  
3 Certificate number issued by the Department. A construction  
4 contractor or other entity shall not make tax-free purchases  
5 unless it has an active Exemption Certificate issued by the  
6 Department at the time of purchase.

7 Upon request from the designated High Impact Business, the  
8 Department shall issue a High Impact Business Building  
9 Materials Exemption Certificate for each construction  
10 contractor or other entity identified by the designated High  
11 Impact Business. The Department shall make the Exemption  
12 Certificates available to each construction contractor or  
13 other entity and the designated High Impact Business. The  
14 request for Building Materials Exemption Certificates from the  
15 designated High Impact Business to the Department must include  
16 the following information:

17 (1) the name and address of the construction contractor  
18 or other entity;

19 (2) the name and location or address of the designated  
20 High Impact Business;

21 (3) the estimated amount of the exemption for each  
22 construction contractor or other entity for which a request  
23 for Exemption Certificate is made, based on a stated  
24 estimated average tax rate and the percentage of the  
25 contract that consists of materials;

26 (4) the period of time over which supplies for the

1 project are expected to be purchased; and

2 (5) other reasonable information as the Department may  
3 require, including but not limited to FEIN numbers, to  
4 determine if the contractor or other entity, or any  
5 partner, or a corporate officer, and in the case of a  
6 limited liability company, any manager or member, of the  
7 construction contractor or other entity, is or has been the  
8 owner, a partner, a corporate officer, and in the case of a  
9 limited liability company, a manager or member, of a person  
10 that is in default for moneys due to the Department under  
11 this Act or any other tax or fee Act administered by the  
12 Department.

13 The Department shall issue the High Impact Business  
14 Building Materials Exemption Certificates within 3 business  
15 days after receipt of request from the designated High Impact  
16 Business. This requirement does not apply in circumstances  
17 where the Department, for reasonable cause, is unable to issue  
18 the Exemption Certificate within 3 business days. The  
19 Department may refuse to issue an Exemption Certificate if the  
20 owner, any partner, or a corporate officer, and in the case of  
21 a limited liability company, any manager or member, of the  
22 construction contractor or other entity is or has been the  
23 owner, a partner, a corporate officer, and in the case of a  
24 limited liability company, a manager or member, of a person  
25 that is in default for moneys due to the Department under this  
26 Act or any other tax or fee Act administered by the Department.

1 The High Impact Business Building Materials Exemption  
2 Certificate shall contain language stating that if the  
3 construction contractor or other entity who is issued the  
4 Exemption Certificate makes a tax-exempt purchase, as  
5 described in this Section, that is not eligible for exemption  
6 under this Section or allows another person to make a  
7 tax-exempt purchase, as described in this Section, that is not  
8 eligible for exemption under this Section, then, in addition to  
9 any tax or other penalty imposed, the construction contractor  
10 or other entity is subject to a penalty equal to the tax that  
11 would have been paid by the retailer under this Act as well as  
12 any applicable local retailers' occupation tax on the purchase  
13 that is not eligible for the exemption.

14 The Department, in its discretion, may require that the  
15 request for High Impact Business Building Materials Exemption  
16 Certificates be submitted electronically. The Department may,  
17 in its discretion, issue the Exemption Certificates  
18 electronically. The High Impact Business Building Materials  
19 Exemption Certificate number shall be designed in such a way  
20 that the Department can identify from the unique number on the  
21 Exemption Certificate issued to a given construction  
22 contractor or other entity, the name of the designated High  
23 Impact Business and the construction contractor or other entity  
24 to whom the Exemption Certificate is issued. The Exemption  
25 Certificate shall contain an expiration date, which shall be no  
26 more than 2 years after the date of issuance. At the request of

1 the designated High Impact Business, the Department may renew  
2 an Exemption Certificate. After the Department issues  
3 Exemption Certificates for a given designated High Impact  
4 Business, the designated High Impact Business may notify the  
5 Department of additional construction contractors or other  
6 entities eligible for a Building Materials Exemption  
7 Certificate. Upon notification by the designated High Impact  
8 Business and subject to the other provisions of this subsection  
9 (b), the Department shall issue a High Impact Business Building  
10 Materials Exemption Certificate to each additional  
11 construction contractor or other entity identified by the  
12 designated High Impact Business. A designated High Impact  
13 Business may notify the Department to rescind a Building  
14 Materials Exemption Certificate previously issued by the  
15 Department but that has not yet expired. Upon notification by  
16 the designated High Impact Business and subject to the other  
17 provisions of this subsection (b), the Department shall issue  
18 the rescission of the Building Materials Exemption Certificate  
19 to the construction contractor or other entity identified by  
20 the designated High Impact Business and provide a copy to the  
21 designated High Impact Business.

22 If the Department of Revenue determines that a construction  
23 contractor or other entity that was issued an Exemption  
24 Certificate under this subsection (b) made a tax-exempt  
25 purchase, as described in this Section, that was not eligible  
26 for exemption under this Section or allowed another person to

1 make a tax-exempt purchase, as described in this Section, that  
2 was not eligible for exemption under this Section, then, in  
3 addition to any tax or other penalty imposed, the construction  
4 contractor or other entity is subject to a penalty equal to the  
5 tax that would have been paid by the retailer under this Act as  
6 well as any applicable local retailers' occupation tax on the  
7 purchase that was not eligible for the exemption.

8 (c) Notwithstanding anything to the contrary in this  
9 Section, for High Impact Businesses for which projects are  
10 already in existence and for which construction contracts are  
11 already in place on July 1, 2013, the request for High Impact  
12 Business Building Materials Exemption Certificates from the  
13 High Impact Business to the Department for these pre-existing  
14 construction contractors and other entities must include the  
15 information required under subsection (b), but not including  
16 the information listed in items (3) and (4). For any new  
17 construction contract entered into on or after July 1, 2013,  
18 however, all of the information in subsection (b) must be  
19 provided.

20 (Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

21 Section 99. Effective date. This Act takes effect July 1,  
22 2015.

1	INDEX	
2	Statutes amended in order of appearance	
3	20 ILCS 605/605-332	
4	30 ILCS 105/5.866 new	
5	30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
6	30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
7	35 ILCS 105/3-6	
8	35 ILCS 105/3-10	
9	35 ILCS 105/3-55	from Ch. 120, par. 439.3-55
10	35 ILCS 105/3-85	
11	35 ILCS 105/9	from Ch. 120, par. 439.9
12	35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
13	35 ILCS 110/3-70	
14	35 ILCS 110/9	from Ch. 120, par. 439.39
15	35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
16	35 ILCS 115/9	from Ch. 120, par. 439.109
17	35 ILCS 120/2-5	
18	35 ILCS 120/2-8	
19	35 ILCS 120/2-10	
20	35 ILCS 120/2d	from Ch. 120, par. 441d
21	35 ILCS 120/3	from Ch. 120, par. 442
22	35 ILCS 120/51	from Ch. 120, par. 4441